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U.S. Presses Serb Leader On Ousting Karadzic

Milosevic Promise 'Just Not Enough,' Christopher Says

By Steven Erlanger
New York Times Service

GENEVA — Secretary of State Warren M. Christopher, after meeting separately with the three Bosnian leaders and with civilian and military leaders in charge of carrying out the Dayton accords, said Sunday that he expected a firm date would be set for multiparty elections in Bosnia by the end of June.

Mr. Christopher also said that elections could take place even if the Bosnian Serb leader, Radovan Karadzic, under indictment for war crimes, has not been handed over to the War Crimes Tribunal in The Hague.

Mr. Christopher said it was important that Mr. Karadzic was "removed from all effective power" and ability to influence the elections.

The secretary of state spent two hours on Sunday with President Slobodan Milosevic of Serbia, telling him that a promise to that effect "just was not enough" and that the United States expected all indicted war criminals to be arrested, as called for by the accords.

NATO forces "will conduct more visible and proactive patrols through the country," Mr. Christopher said, both to increase the freedom of movement of all civilians "and to raise the likelihood of apprehending war criminals."

The United States will also open an aid office in Banja Luka, a headquarters for political rivals to Mr. Karadzic, who is based in Pale, "so that those who support the peace process shall see results on the ground," Mr. Christopher said.

There has been a growing debate about whether the conditions exist in Bosnia to allow the free and fair elections by Sept. 14, as called for in the Dayton accords, and whether the Organization for Security and Cooperation in Europe would certify that such conditions exist.

Internal reports from OSCE monitors in Bosnia paint a dismal picture of recalcitrance on the part of all parties, especially the Bosnian Serbs, to allow the freedom of movement, freedom of the press and return of refugees required to hold the election.

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Bobby Yip/Reuters

REMEMBERING TIANANMEN — A Hong Kong protester Sunday carrying a sign saying 'June 4th.'

Netanyahu Vows To Pursue Peace With Arab Leaders

The New Israeli Prime Minister Is Conciliatory in Victory Speech

By John Lancaster
Washington Post Service

JERUSALEM — In a victory speech that traded the muscular nationalism of his political campaign for themes of healing and reconciliation, Prime Minister-elect Benjamin Netanyahu of Israel called on Arabs and Israelis alike on Sunday to join him in the quest for comprehensive regional peace.

Speaking to a buoyant, sometimes bumptious crowd of Likud Party faithful in a nationally broadcast address, Mr. Netanyahu pledged to "further the process of dialogue with all our neighbors to reach a stable peace, a real peace, a peace with security."

Mr. Netanyahu promised that "the government that we will form, with God's help, in the coming days will strengthen the connections that have already been made with the Jordanian kingdom and with Egypt" and continue negotiations with the Palestinians.

Significantly, Mr. Netanyahu did not even mention Syria, with which Israel has been engaged in on-again, off-again negotiations since 1991. Syria demands that Israel give up the Golan Heights, seized from Syria in 1967, as a basic condition of peace. Mr., Netanyahu has said he would never do so.

On Sunday night, Mr. Netanyahu said only that "we will act to advance peace agreements and coexistence with additional Arab states."

After his hairsbreadth victory over Shimon Peres in national elections last week, Mr. Netanyahu also acknowledged the need for domestic healing, saying his first priority as prime minister would be to "reunite the people."

"The peace we will bring will not be the peace for the Likud voters, but it will be for everyone, the security will be for everyone," he said. "It is my desire to be the prime minister for everyone, Jew and non-Jew, secular and religious."

The tone of Mr. Netanyahu's 30-minute address contrasted sharply with that of his campaign, in which he bitterly attacked Mr. Peres for seeking territorial compromise with the Arabs that in his view undermined Israeli security. Fearing that a Netanyahu win could slow or even derail the peace process, the United States and other Western powers strongly backed Mr. Peres in the election.

Mr. Netanyahu used his victory speech to send a message of reassurance — to Israel's Arab negotiating partners, to the international community, to domestic political opponents and even to Israeli financial markets, which initially tumbled at the news of his election on Thursday. His demeanor was statesmanlike, and at one point he chided the crowd for jeering when he offered words of praise for the defeated prime minister.

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Czech Coalition at Risk as Parties' Vote Tally Falls Shy of Majority

By Christine Spolar
Washington Post Service

PRAGUE — Prime Minister Vaclav Klaus lost his grip over the Czech political scene on Sunday as final vote tallies in parliamentary elections dropped his party below 30 percent of the popular vote and left his once predictable coalition shy of a majority.

The stunning outcome, which sent the six major parties scrambling in private caucuses on Sunday, means that the steady engine of change in Eastern Europe is heading down a bumpy road of challenge.

Mr. Klaus's Civic Democratic Party, which has dominated democratic politics here, still won the highest single percentage of votes but saw its toughest critic, the Social Democratic Party, nearly double its seats in Parliament.

The shake-up in these parliamentary elections does not indicate a sea change in attitude or direction of the Czech government, which had created a wide consensus for market reform through Mr. Klaus's economic programs.

Rather, the results will force the often overbearing Mr. Klaus and the governing coalition to work and compromise with the now much stronger opposition, particularly on issues of spending for social services, health and education.

"Finally, in the Czech Republic, a modern European left is asserting itself," said the Social Democratic leader, Milos Zeman, who ran a tough campaign attacking Mr. Klaus's policies.

Mr. Klaus met with President Vaclav Havel for more than two hours in preparation for what will be a critical decision over who leads the next government.

"The Czech message is clear: Klaus, you can go ahead — but with a government that is more transparent and with more accountability," said the political pollster Ivan Gabal, a onetime adviser to Mr. Havel. "I think Klaus is in a bit of a shock. The situation has definitely changed. He won't be governing the way he did before."

The Social Democrats, who took 26.44 percent to the Civic Democrats' 29.62 percent of the vote, will now hold 60 seats in the 200-member Parliament, just seven members fewer than the Civic Democrats.

But it was clear Sunday that the party headed by Mr. Zeman would be hard-pressed to move toward a coalition with any of the other parties that emerged as the top vote getters.

In order to form a center-left coalition, Mr. Zeman would have to rely on support from the Communists, who took 10 percent of the vote. Mr. Zeman, in the last days of the campaign, said any coalition with the Communist Party, little reformed since the fall of the regime in 1989, was "out of the question.

Mr. Klaus's party has been in coalition with the Civic Democratic Alliance and the Christian Democrats, accounting for 112 seats in Parliament. That centrist-right alliance is expected to have no more than 99 seats — two

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AGENDA

Egypt Hangs 6 Muslim Militants

CAIRO (AFP) — Egyptian authorities have hanged six Muslim militants, the largest number of executions at one time since Islamic unrest erupted in 1992, police sources said Sunday.

The six were from a group of 24 members of the Islamic Group arrested between June and October last year for infiltrating Egypt from Sudan with a stockpile of weapons "to commit terrorist attacks," the sources said.

President Hosni Mubarak of Egypt approved the execution order, the sources said, adding that the hangings took place in the past few days.

Prosecutors said the militants had confessed to being trained in Sudanese camps. They said the cell was sent to Egypt by Mustafa Hamza, one of three masterminds of an attempt to kill Mr. Mubarak in June 1995. Khartoum is accused of harboring Mr. Hamza, "with orders to attack important personalities and leadership figures," prosecutors said.

The latest hangings bring to 54 the number of Muslim militants executed in Egypt over the past three years.

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Laurent Rebours/The Associated Press

UNDER PARIS SKIES — Workmen covering up center court at Roland Garros stadium as rain delayed play in several matches Sunday during the fourth round of the French Open tennis tournament. Page 22.

Economy Time At Economic Think Tank

By Alan Friedman
International Herald Tribune

PARIS — Donald Johnston, the Canadian politician who takes over on Monday as secretary-general of the OECD, is pledging to reduce the budget of the industrial nations' think tank.

The Paris-based Organization for Economic Cooperation and Development, which groups 27 of the world's richest industrial nations, was slimming down even before Mr. Johnston's arrival, but the Canadian plans to go beyond the 2.5 percent reduction that brought the 1996 budget down to 1.3 billion francs ($252.4 million).

He acknowledged that there was a "morale problem" among the organization's more than 1,700 employees. Nonetheless, Mr. Johnston, 60, said in an interview that "the OECD must do more with less."

While stressing that he would preserve important policy research activities, Mr. Johnston said he planned "a downsizing exercise."

Diplomats on several national delegations at the OECD in recent years have privately criticized the organization for having a bloated staff and for producing policy recommendations that have been less timely than member governments would have wished.

On Sunday, Ambassador David Aaron, the U.S. representative at the OECD, said he supported Mr. Johnston's plans to trim the budget. "We'd like to see it come down even further," he said.

Budget cuts are needed not only because of fiscal constraints in the United States, which is the organization's largest single contributor at about $70 million a year, but also because the OECD is in the process of redefining its role. Founded after the Marshall Plan, some functions of the OECD have now been taken up by other multilateral organizations.

The new OECD chief also said he hoped Russia would eventually succeed in joining the organization.

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Vigil on Airlines Is Slipping, U.S. Finds

By Adam Bryant
New York Times Service

With airlines in the United States turning over an increasing amount of repair and maintenance work to contractors, the Federal Aviation Administration is struggling to monitor an intricate web of service work that stretches around the world.

Before deregulation of the industry in 1978, airlines did most of the work themselves, making it relatively simple for regulators to examine records and the aircraft to ensure that procedures were being followed properly.

But now that task is far more complicated.

U.S. airlines are trying to save money by hiring companies at home and abroad for major tasks like overhauling engines.

And they are turning preflight maintenance and critical safety-related work like wing deicing to different companies at the various airports they serve.

With this practice — often called "outsourcing" — the potential for misunderstanding grows, experts say, particularly because few airlines operate in exactly the same way.

Federal officials believe that such a misunderstanding may have led to the May 11 crash of a ValuJet DC-9 outside Miami.

ValuJet and a contractor, Sabretech, a maintenance company that does work in Miami, are arguing over who was responsible for handling oxygen containers that investigators suspect caused a fire and the crash that killed 110 passengers and crew members.

The growing use of contract servicing by both new airlines like ValuJet and major carriers is not inherently unsafe, experts say, and the aviation agency has responsibility for authorizing contractors in many foreign countries.

But such relationships do require more supervision. And the federal agency has always assigned its front-line inspectors in accordance with an airline's size, not its use of subcontractors.

"The nature of the beast has changed," said Daniel M. Kasper, an aviation consultant and a member of a 1993 presidential commission that studied the airline industry.

"While flying remains the safest form of transportation, it raises the question of whether the FAA regulatory model has changed sufficiently to oversee these 'virtual' airlines."

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	14 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,900 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

U.S. Bases in Okinawa: Doubtful Source of Riches

By Nicholas D. Kristof
New York Times Service

NAHA, Okinawa — When the United States began returning a military base that includes the famous Sugar Loaf battle site of World War II, the Okinawan authorities promised that it would be quickly developed.

That was 19 years ago, and the place is still a huge vacant lot, 475 acres (190 hectares) of mud and grass and hillocks, surrounded by modern steel and glass office buildings of Naha, the Okinawan capital. It is prime real estate, but full economic development may still be a decade away.

That example and similar experiences throughout the island are cited by skeptics of grand plans to redevelop American military bases on Okinawa.

Okinawa's popular governor, Masahide Ota, has campaigned for the removal of the bases, which take up a fifth of the island and are a linchpin of the American military presence in Asia. The United States rents the land for the military installations.

Mr. Ota and other Okinawan officials say that the bases are an obstacle to economic development, and they have worked out an "action program" to turn the bases into centers of international commerce and industry.

The problem with this plan is that it will require tens of billions of dollars that Okinawa does not have. Okinawan officials say they believe the central government will finance the development program, but skeptics

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Juan Antonio Samaranch / **Master of the Games**

Keeping Order in the Olympic Movement

By William Drozdiak
Washington Post Service

LAUSANNE, Switzerland — Two months before the Centennial Games in Atlanta, Juan Antonio Samaranch is savoring the kind of good life that seemed unimaginable when he took control 16 years ago of an Olympic movement verging on extinction.

Everywhere he goes, the 76-year-old president of the International Olympic Committee is treated with fawning deference, even by heads of state. Whether he is making commercial or television deals or visiting one of the cities competing to be an Olympic site, he travels in a cocoon of luxury. He can strike terror into the hearts of his staff when he is not accorded the fealty he believes he deserves.

From his lakeside offices here on the grounds of Chateau de Vidy, Mr. Samaranch beams with satisfaction over the good fortunes of the movement that he regards as his personal fiefdom.

Gone are the successive boycotts that tainted the Games with politics and deprived spectators of seeing some of the world's best athletes. Gone, too, are the days of ideological rivalry between East and West, when gold medal counts reflected the running score between communism and capitalism.

Most of all, Mr. Samaranch is proud of how the Olympics have been transformed from an extravagant burden that once risked bankruptcy for city and state treasuries into a global marketing bonanza.

Years in advance, cities launch lavish promotional campaigns with the hope that the International Olympic Committee will choose one of them as an Olympic site. The competition has become so widespread that site selection has become a continuing task for IOC members — and far from hardship duty. Before Atlanta was chosen for the 1996 Summer Games, IOC members were flown first class to the city, housed in the homes of city leaders, had their luggage carried by members of the Atlanta Organizing Committee and played golf at Augusta National. Sydney was chosen as host of the 2000 Games, to the great disappointment of Beijing, which had engraved the names of IOC members on China's Great Wall. For cities and corporations as well as consumers, the Olympics have become the greatest show on earth.

"We are following the reality of our world," Mr. Samaranch said during an interview at the IOC's marble-lined headquarters. "To organize the Games, you need money. If it does not come from the state, it must come from the private sector. And happily, sports and television have proved to be the perfect marriage."

It is also a lucrative one. Last December the IOC signed the biggest broadcasting deal in history with NBC, culminating a drive to lock up television contracts through the 2008 Games with American, European and Australian networks for a total value of more than $5.5 billion.

The networks are willing to spend such sums because the Olympics have become the most avidly watched event in the world. A total of 2.3 billion people, or 85 percent of those who possess television sets, watched the 1992 Games in Barcelona. An even bigger audience is expected to watch Atlanta.

But television accounts for less than half of projected Olympic revenues. Tickets and sponsorships — including a pyramid of commercial deals starting with worldwide marketing rights for multinational firms such as Coca-Cola, IBM, Kodak, and Visa — will generate an even greater cascade of dollars to be shared among the Atlanta organizers, national Olympic committees, international sports federations and the IOC.

Mr. Samaranch insists that the Olympic movement is aware of the dangers of commercialization.

"It is necessary to ensure the survival of the Games," he says. "We have put the Olympics on a sound financial footing, but not at any cost. The Olympics will remain the only sports event in the world where no advertising is allowed inside the stadium or on the athletes' uniforms. I repeat, we will allow nothing to be shown there." Athletes in competition show no logos, true, but Olympic teams are a favorite target of many sports apparel manufacturers who compete for the honor of placing their identifying mark on athletes' warmups or jackets. At the 1992 Summer Games, many of the members of the U.S. Dream Team basketball squad who had independent endorsement deals with Nike covered up the Reebok logos on their official jackets as they took their gold medals at the award ceremony.

For many critics, the changes brought about by the Olympic czar have been nothing short of a betrayal of the movement's ideals. They argue that athletes, coaches and the apparatchiks who run international sport have cast aside ethics in the pursuit of money.

Mr. Samaranch and his allies, however, contend they are the best judges of good taste.

"We have veto rights over every television ad, and we will not permit anything that smacks of tacky promotion," says Michael Payne, the IOC's marketing director. "If anything, the companies themselves realize it is in their interests to link their products with the most noble Olympic ideals."

Mr. Payne points out that business dealings have been part of the modern Olympics for a long time and that standards designed to protect the Games' image have been introduced only recently. In the 1964 Games, for example, the "Olympia" brand cigarette was the biggest source of revenue — even more than television rights — for the Tokyo organizers. Tobacco is now banned from any Olympic promotion.

For Mr. Samaranch, ensuring the prosperity of the Olympics well into the next millennium has served as the most effective weapon against his enemies. Much of their criticism has focused on his authoritarian leadership, a natural outgrowth, they say, of his days as a fascist politician in Barcelona under Franco.

Mr. Samaranch has tried to blur the edges of this picture by promoting altruistic causes under the Olympic banner. During the interview, he said he would call at the Atlanta Games for a worldwide campaign to bolster financial support for the Bosnian capital of Sarajevo, which was host to the 1984 Winter Games but whose Olympic facilities were devastated by four years of war.

At the opening ceremony of the Lillehammer Winter Games, Mr. Samaranch urged the world to support an "Olympic truce" after more than 60 people were killed in a mortar attack on a Sarajevo market. Since then, he says, he has used quiet diplomacy through the Olympic movement to help bring an end to the Balkan wars.

Such gestures have not stilled his many critics, who accuse him of brushing aside all efforts to introduce greater democracy in managing the Olympic movement. Many of the 93 IOC members have been hand-picked by Mr. Samaranch; only seven of them are women.

"The spirit of the Europe of the Dictators that most of us believed had been destroyed appears to be alive and prospering in Samaranch's 'bunker' overlooking Lake Leman," wrote the British journalists Vyv Simpson and Andrew Jennings in their highly critical book "Dishonored Games: Corruption, Money and Greed at the Olympics."

Mr. Samaranch treats his political past as ancient history and says the 1992 Barcelona Games, which celebrated Spain's rise as a new democracy, were important to him because they marked a reconciliation.

While democracy may be the best way to govern nations, Mr. Samaranch says it would be suicidal for the Olympics and insists that his autocratic methods are necessary to maintain order over the movement's diverse culture.

"My most important goal is to keep the unity," he explained. "This is easy to say but not easy to accomplish. There are 197 countries and 45 sports federations, and some of them have more economic power than we do. Sports have become very important for our society, and we gained our stature by keeping the Olympic movement united. And if you do not have unity, you have chaos."



Reuters

Juan Antonio Samaranch, who runs the Olympic movement with a firm hand.

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TRAVEL UPDATE

Arafat Opens Gaza Airport

GAZA (Reuters) — The private airplane of the Palestinian leader, Yasser Arafat, was the first to land at Gaza's airport, which officially opened Sunday, witnesses said.

Mr. Arafat attended the opening and took a look at his 13-seat plane — a gift from the Algerian government — which was flown from Egypt.

The volcano on the small southern Italian island of Stromboli erupted late Saturday, starting a fire and slightly injuring four German tourists who were climbing on the mountain. Officials said the situation was under control. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of holidays:

MONDAY: Cyprus, Greece, Iran, Ireland, New Zealand, Uganda, Ukraine.
TUESDAY: Ghana, Iran.
WEDNESDAY: Denmark, Equatorial Guinea.
THURSDAY: Andorra, Austria, Bolivia, Brazil, Chile, Costa Rica, Dominican Republic, Germany, Grenada, Liechtenstein, Monaco, Poland, Portugal, San Marino, Seychelles, Vatican City.
FRIDAY: Bahamas, Malta.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
The hot weather will continue in the southwestern U.S. with temperatures in the 100s and 110s. It will be unsettled along the East Coast with numerous showers and thunderstorms in and around New York City and Washington, D.C. It will be cool and showery in Detroit and Chicago.

Europe
Plenty of sunshine and warm in Berlin, but rather cool from Moscow to Yalta. Partly sunny and near normal in London, but showers are likely Thursday. Madrid and Athens will be mostly sunny and warm through Thursday, while Rome will have near normal readings with the chance of a shower.

Asia
Warm in Beijing Tuesday with some sunshine; thunderstorms will move through Wednesday, then near normal Thursday. It may shower in Tokyo Tuesday, then partly sunny and mild into Thursday. Partly sunny and warm in Seoul through the period. There may be heavy rains across the Yangtze Valley.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	24/75	18/64 pc	27/80	19/66 s
Amsterdam	18/64	12/53 pc	20/68	16/61 pc
Ankara	15/59	6/43 sh	18/64	9/48 c
Athens	25/79	18/64 pc	29/82	21/70 pc
Barcelona	19/66	15/59 c	24/75	18/64 pc
Belgrade	23/82	16/64 c	23/64	16/64 pc
Berlin	21/70	15/58 pc	22/71	14/57 c
Brussels	19/66	9/48 pc	22/71	14/57 s
Budapest	31/88	19/66 pc	31/88	20/68 pc
Copenhagen	18/64	13/55 r	21/70	13/55 c
Costa Del Sol	28/79	19/66 pc	27/80	21/70 s
Dublin	15/59	8/46 r	17/62	10/50 pc
Edinburgh	13/56	11/52 r	14/57	11/52 c
Florence	21/70	16/61 r	19/66	14/57 sh
Frankfurt	28/82	17/62 pc	24/75	15/59 r
Geneva	17/62	14/57 r	21/70	15/59 r
Helsinki	19/66	12/53 c	19/66	13/55 r
Istanbul	24/75	14/57 s	28/82	17/62 s
Las Palmas	24/75	19/66 s	24/75	19/66 s
Lisbon	24/75	17/62 s	28/79	18/64 s
London	18/64	9/48 pc	22/71	14/57 pc
Madrid	28/79	11/52 s	29/84	17/62 s
Milan	22/71	19/66 r	24/75	18/64 t
Moscow	24/75	10/50 s	31/88	17/62 s
Munich	24/75	13/55 pc	22/71	13/55 t
Nice	19/66	16/61 sh	22/71	17/62 c
Oslo	17/62	8/46 pc	19/66	11/52 pc
Mallorca	19/64	17/62 c	22/71	13/66 pc
Paris	20/68	10/50 pc	23/73	16/61 pc
Prague	27/80	15/59 s	25/77	14/57 c
Reykjavik	12/53	9/48 r	12/53	6/43 sh
Rome	25/77	13/55 t	19/66	13/55 t
St. Petersburg	21/70	13/55 r	25/77	14/57 c
Stockholm	17/62	11/52 r	18/61	11/52 r
Strasbourg	19/66	13/55 sh	23/73	15/59 pc
Tallinn	16/64	13/55 c	19/66	13/55 r
Venice	25/77	19/66 r	23/73	19/66 sh
Vienna	26/79	15/59 s	27/80	17/62 pc
Warsaw	28/82	14/57 s	31/88	16/61 pc
Zurich	20/68	14/57 sh	20/68	14/57 sh

Oceania

Auckland	15/59	11/52 sh	18/64	11/52 pc
Sydney	20/68	12/53 c	18/64	11/52 pc

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	38/100	29/84 s	39/102	27/80 s
Beirut	22/71	19/64 c	25/77	19/66 pc
Cairo	28/79	12/53 s	30/86	17/62 s
Damascus	25/77	12/53 pc	23/73	11/52 s
Jerusalem	23/73	12/53 pc	22/71	15/58 pc
Luxor	32/89	13/55 s	36/97	15/61 s
Riyadh	40/104	27/80 s	42/107	29/78 s

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	21/70	15/59 pc	29/73	18/64 pc
Cape Town	13/55	10/50 c	18/64	10/50 c
Casablanca	23/73	17/62 s	27/80	19/66 s
Harare	24/75	12/53 pc	25/77	10/50 pc
Lagos	29/84	24/75 t	29/84	24/75 t
Nairobi	25/77	13/64 t	25/77	17/62 pc
Tunis	28/71	16/61 r	23/73	14/57 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bangkok	33/91	26/781	33/91	28/79 t
Beijing	33/91	14/57 s	33/89	16/61 pc
Hong Kong	31/88	28/79 pc	31/88	28/79 pc
Manila	33/91	24/75 pc	33/91	24/75 c
New Delhi	43/109	32/89 s	43/107	31/88 s
Seoul	28/79	13/66 pc	29/82	15/59 s
Shanghai	27/80	21/70 r	29/84	21/70 c
Singapore	31/88	24/75 r	32/89	24/75 t
Taipei	33/91	23/73 r	33/91	23/73 s
Tokyo	29/79	17/62 pc	24/75	14/57 r

Latin America

Buenos Aires	18/64	5/43 pc	14/57	7/44 pc
Caracas	29/84	19/66 pc	29/84	18/64 pc
Lima	19/64	17/62 pc	18/64	16/61 pc
Mexico City	25/77	13/55 s	25/77	14/57 pc
Rio de Janeiro	27/80	17/62 s	23/73	17/62 pc
Santiago	18/64	1/34 s	20/68	7/44 pc

North America

Anchorage	18/64	7/44 pc	17/62	8/46 pc
Atlanta	27/80	18/64 c	27/80	16/61 t
Boston	21/70	16/61 sh	23/71	16/61 r
Chicago	21/70	11/52 c	23/71	11/52 pc
Denver	28/79	11/52 s	31/88	13/55 s
Detroit	22/71	15/59 t	21/70	12/53 pc
Honolulu	29/84	23/73 pc	29/84	23/73 pc
Houston	33/91	19/66 s	32/89	19/66 pc
Los Angeles	26/87	19/66 s	24/93	17/62 pc
Miami	31/88	23/73 s	31/88	23/73 t
Minneapolis	18/64	8/46 sh	22/71	12/53 pc
Montreal	25/77	11/52 pc	19/66	9/48 c
Nassau	29/84	23/73 sh	31/88	23/73 pc
New York	21/70	16/61 c	24/75	17/62 sh
Phoenix	44/111	27/80 s	44/111	29/84 s
San Fran.	27/80	13/55 s	24/75	12/53 s
Seattle	24/75	11/52 pc	21/70	11/52 c
Toronto	21/70	9/48 sh	21/70	9/48 c
Vancouver	21/70	12/53 sh	21/70	11/52 pc
Washington	24/75	17/62 pc	25/79	18/64 r

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Airlines Urged To Tighten Curbs On Risky Cargo

Agence France-Presse

WASHINGTON — Investigators have urged airlines to impose stricter checks on potentially hazardous cargo, such as oxygen containers of the type that exploded in the May 11 crash of ValuJet Flight 593.

Under guidelines proposed by the National Transportation Safety Board, even items like aerosol cans of deodorant could be banned.

The board, which is investigating the crash that killed 110 people, called for efforts to prevent airlines from accepting mislabeled baggage and recommended a cargo ban on oxygen canisters.

The board said in a report that 144 oxygen generators had been loaded on ValuJet Flight 593. The generators are used for emergency breathing systems.

"Although the origin of the in-flight fire on board Flight 592 has not been determined to date, the presence of the chemical oxygen generators in the forward cargo compartment of the aircraft created an extremely dangerous situation," the NTSB chairman, James E. Hall, said in a statement.

Mr. Hall reiterated calls for airliners to install fire extinguishers and smoke detectors in cargo compartments.

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THE AMERICAS

A Big Show of Support For America's Children

200,000 March on Washington Mall

Washington Post Service

WASHINGTON — About 200,000 children, their parents, teachers and religious leaders converged on the U.S. capital over the weekend for a demonstration to focus attention on the economic and social needs of young Americans.

Children were carried in backpacks and strollers and held by the hand, sometimes whining but usually enjoying the spectacle of a mass demonstration on the Mall at the Lincoln Memorial. They were led and outnumbered in the brilliant sunshine by their teachers and parents, pastors and den mothers.

The point of the rally, organized by the Children's Defense Fund, was somewhat amorphous. No politicians were invited to speak, and no detailed agenda was outlined.

According to the fund's president, Marian Wright Edelman, the idea was to tell America that it should do better — and put children first.

"We commit ourselves to building a just America that leaves no child behind, and we commit ourselves to ensuring all our children have a healthy and a safe passage to adulthood," Ms. Edelman said in a 30-minute keynote speech.

Her call attracted a broad group of people embracing varied priorities.

Asked to express their greatest concern, some pointed out the problems of poor children and some mentioned the challenges faced by their middle-class offspring. Others, as Ms. Edelman said, "hold both ideas in our heads at once."

The rally was criticized by conservatives for using children as a sympathetic prop for more government spending.

The Heritage Foundation accused the fund and endorsing organizations of having a vested interest in keeping government funds flowing.

Gary Bauer, of the Family Forum, dubbed the march the "Last Stand for Big Government."

Ms. Edelman responded to them in her speech.

"We do not stand here advocating big government," she said. "We stand here advocating just government."

A country that can afford to spend large sums on military contracts can afford to take care of its children, she said. The problem, she added, is that when it comes to children, America's will is much smaller than its wallet.

Those favoring more spending for social programs and education clearly were represented heavily, but a few marchers lamented government waste and said that high taxes were stressing families to the breaking point.

One overriding message, however, seemed to link everyone present: America is not doing right by its children, they said. America can and must do better.

"Childhood should be full of joy, and instead it is full of sadness," said Mary Margaret McElheny, a Montgomery County public schools counselor. "I see the needs of children, and I see them not being met."

Peggy Christenson, a preschool teacher from Toledo, Ohio, said she is distressed by "the enormity of the problems and the limited and ineffective resources put to solving them."



Travis Heying/Agence France-Presse

Devin Cutlip of Calvert County, Massachusetts, napping during the rally.

POLITICAL NOTES

Cheerleading Politics Got Senators Started

OXFORD, Mississippi — For Senators Trent Lott and Thad Cochran, one of whom will be the next Senate majority leader, the path to political power began in this town of antebellum charm and Faulkner lore.

It was here on the campus of the University of Mississippi that they mounted their first election campaigns — for the cheerleading squad.

"Politics at Ole Miss has always been very serious business," said Ed Meek, an assistant vice chancellor for public relations and marketing at the university. "Being elected cheerleader was a very, very big deal because it was the kickoff point to many other political opportunities."

All these years later, Mr. Cochran still lists 'head cheerleader' in his political biography. And Mr. Lott frequently sports part of his cheerleader's uniform — a white sweater with a huge crimson "M" — on Capitol Hill during performances of the Republican caucus' barbershop quartet.

But before Mr. Lott and Mr. Cochran ever orated on balanced budgets, tax cuts and term limits, they were known for leading the Ole Miss faithful in the thunderous cheer that is the mantra of the student body (and that is heard even on Capitol Hill some days when more than two alumni gather):

"Hotty toddy, gosh almighty, who in the hell are we? Hey! Flim flam, bim bam, Ole Miss, by damn!" *(NYT)*

Perot Running Mate?

LOS ANGELES — The former governor of Colorado, Richard D. Lamm, a liberal Democrat who has become disillusioned with President Bill Clinton, said that "under the right circumstances" he would run for president on Ross Perot's Reform Party ticket.

Mr. Lamm, 60, who retired as governor a decade ago and failed in a subsequent bid for a Senate nomination, made the comment Friday after addressing the inaugural convention of the California Reform Party and getting such an enthusiastic response that a petition drive to draft him began immediately.

But after a private meeting later with Mr. Perot, Mr. Lamm appeared far from ready to run. He said that Mr. Perot told him he had to remain as titular leader of the party, at least until it gained ballot positions in all 50 states, a process that could take until the end of summer.

Mr. Perot made no reference to Mr. Lamm in his speech to the convention, but hit many of the same themes of budget-balancing and political reform.

"I'm pleased he came," Mr. Perot said, referring to Mr. Lamm. "They told me he made a great speech. I'm delighted he participated." But Mr. Perot declined to discuss his own plans or the possibility of Mr. Lamm's running. *(WP)*

Dole Starts Attacking Clinton's Character

WASHINGTON — Senator Bob Dole offered a broad attack on President Bill Clinton's truthfulness and character, mocking him as a president who broke his word and stole ideas from Republicans. "Bill Clinton invites the American people to ask whether he can be trusted," Mr. Dole said.

The Republican presidential candidate stepped up his attacks on Mr. Clinton this weekend by invoking two issues that he had until now left to surrogates: The question of Mr. Clinton's character and last week's Whitewater verdicts involving Mr. Clinton's business associates in Little Rock.

"I want to be president," said Mr. Dole, "because I want to return integrity to our government — a mission that's more important this week than even a week ago." His strategy has been to keep out of the Whitewater story, where there was no need for partisan stoking of an issue that was already fully engaged.

At a meeting of Republicans, where he said he was not in the race to discuss Mr. Clinton's character, Mr. Dole added, "Every time Bill Clinton says one thing and does another, every time he talks like a conservative but governs like a liberal, he puts his character and credibility on the table." *(NYT)*

Quote/Unquote

Joseph Lockhart, press secretary for the Clinton-Gore campaign, on Mr. Dole's attacks: "It's become very clear that Bob Dole and the Republicans have nothing to offer the American people as far as an agenda to move the country forward and will continue to resort to only personal, negative attacks." *(WP)*

Brown Decided to Risk Fatal Flight, a Friend Says

By Philip Shenon
New York Times Service

WASHINGTON — Only hours before his death in a plane crash on a storm-swept Croatian mountaintop last month, Commerce Secretary Ronald H. Brown called a former business partner and said he had overruled staff members who were worried that it was dangerous to fly into Croatia because of treacherous weather, the former business partner has revealed.

Nolanda B. Hill, the former business partner and a close friend of Mr. Brown's, said Mr. Brown had decided to take the risk and fly to Dubrovnik, Croatia, because of the importance of the trip, which was intended to encourage U.S. investment in the war-shattered nations of the Balkans.

Ms. Hill suggested that Mr. Brown had pressured the pilots of the plane and his staff to fly to Croatia despite the weather, a trip that ended with the deaths of Mr. Brown and the other 34 people on the jet, the military version of a Boeing 737.

"I begged him not to go, but he said 'no,'" Ms. Hill said of her final conversation with Mr. Brown, which she said had taken place over a satellite telephone only minutes before Mr. Brown boarded the plane for Dubrovnik, in Tuzla, Bosnia, on April 3. "He never let anything get in his way. He would never let the weather stop him."

Ms. Hill, who is writing a book about her long business relationship and friendship with Mr. Brown, was speaking in an interview Friday. She said she was confident that Mr. Brown made the decision to fly on to Croatia.

She said that while Mr. Brown had almost certainly pressured the pilots to fly to Croatia, regardless of the weather, she doubted that he would have actually commanded the pilots to fly to Dubrovnik.

"His method would not have been to give a direct order," Ms. Hill said. "His would have been to have explained the seriousness of the situation, and to implore them that if there was any way to get out, that they should get out." If the pilots did anything wrong, she said, "it was to succumb to the strength of his personal dedication and commitment."

Ms. Hill said she had decided to speak out about her final conversations with the commerce secretary after learning Thursday that the U.S. Air Force had relieved a general and two other senior commanders of their duties in Germany because they had failed to order safety inspections at the Dubrovnik airport that might have prevented the crash. The move means the end of their careers in the military.

"I'm furious about that," she said. "These men are being made scapegoats."

"There was a fatalistic side to Ron," she said. "There was a side to Ron in which he believed that he had lived a charmed and blessed life, and that God protected him because he was there on a mission."

Mr. Brown and Ms. Hill, a Washington broadcasting entrepreneur and Democratic Party fund-raiser, had been co-owners of First International Communications Corp., which had been involved in several business projects.

Mr. Brown sold his stake in the company to Ms. Hill for more than $300,000 after his selection as commerce secretary, and the payment has been the subject of investigations, first by a special prosecutor and now by the Justice Department. Ms. Hill said that she could not discuss her financial dealings with Mr. Brown because of the Justice Department's inquiry.

The co-author of Ms. Hill's book, Robin Moore, said he had urged Ms. Hill to come forward in hopes of helping the air force officials who might be taking the blame for a decision that was ultimately Mr. Brown's responsibility.

It is not clear whether Ms. Hill's disclosures would affect any negligence lawsuits brought against the government by the families of passengers aboard the plane.

It should make little difference whether Mr. Brown or the air force pilots made the final decision to fly because they were all federal employees, and federal law generally bars lawsuits against the government based on claims from outside the United States.

Canada Will Oppose U.S. On Issue of Cuba Trade

Agence France-Presse

PANAMA CITY — Canada, generally a close United States ally, will speak out against an American law aimed at deterring third-country investment in Cuba when the General Assembly of the Organization of American States opens here on Monday, Canadian officials said.

Brian Dickson, Canada's permanent representative at the OAS, said over the weekend that Ottawa did not agree with recent U.S. legislation.

"No one can dictate their trade policy to others," he said.

Last week, the Clinton administration warned three companies — from Canada, Mexico and Italy — that they faced being blacklisted for doing business in Cuba. It was the first attempt to carry out the Helms-Burton law.

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INSTRUMENTS FOR PROFESSIONALS

Away From Politics

- Fire crews piped in oxygen and dropped water and candy bars through ceiling holes to a 3-year-old boy locked inside a Philadelphia bank vault before rescuing the child unharmed after four hours. *(AP)*
- Two biplanes collided and and crashed at the Bartlesville Biplane Exposition in Oklahoma, killing all four persons aboard. *(AP)*
- A Virgin Atlantic Boeing 747 landed at a Canadian Arctic outpost because a passenger had a heart attack. As the London-Los Angeles jet put down at Iqaluit, it hit a refueling pipe, damaging the craft. A Delta Air Lines plane picked up the 368 passengers and crew of 25 during the night and brought them to New York. *(Reuters)*

AMERICAN TOPICS

Those Ever-Present Video Cameras: Are They an Invasion of Privacy?

A landlord uses a camera hidden in a smoke detector to spy on a tenant. A hospital videotapes its staff to prevent theft, but denies that it is spying on patients as well. And a mother, anxious about her child's welfare, spends $750 to surreptitiously keep an eye on her babysitter.

Increasingly, video cameras are poking into the corners of everyday life, raising questions about violations of privacy, reports a California paper, the San Jose Mercury News. A camera in a smoke detector can be purchased for about $230, or one hidden in a wall clock for $20 more. A bit pricier is the camera in a teddy bear, at $995.

The spread of these types of cameras is fed in part by concerns about crime and security. Yet people sometimes feel less secure because they do not know when they are under scrutiny. Companies videotape employees to prevent espionage, drug use and theft, but some clothing stores reportedly videotape customers in changing rooms. Individuals keep an eye on their children or check up on domestic employees.

Secret cameras raise legal questions. The police had to release one California man who had rigged up a camera and mirror in a bag and used it to peek up women's dresses at a street festival. Such taping in a public place was found to violate no law. Videotaping surreptitiously in a private place, though, is another matter. A San Jose landlord has been charged with illegally using a camera to eavesdrop on a tenant. The landlord also faces a $2 million invasion of privacy lawsuit.

Those Reports of Bagel Injuries Have Only a Crumb of Truth

Dan Rodricks, a columnist for The Baltimore Sun, found the reports hard to believe. Are bagel cuts really the most common injury seen in emergency rooms? Or was this a bit of '90s lore so often repeated that it had taken on a life of its own?

Checking with local hospitals, he found that bagel-slicing cuts are common at some of them, rare at others, as few as one case a month. One emergency-department physician, Dr. Claudius Klimt, placed such wounds in the same category as lacerations caused by knives or screwdrivers in klutzy attempts to open oysters or separate frozen hamburger patties.

Expensive "bagel guillotines" are available to keep soft hands away from sharp knives. But one doctor suggested an easier approach: Place the bagel flat on the counter with one hand placed flat on the bagel. Don't wrap fingers around it. Cut parallel to the counter.

Short Takes

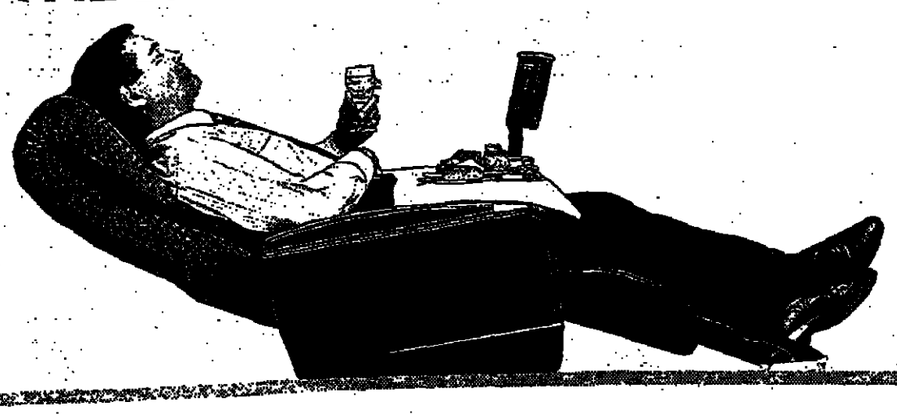
The Pentagon fears that a continuing decline in interest by black men in the armed forces could point to a shortage of recruits in years to come. A 1989 survey found 54 percent of black males aged 16 to 21 were receptive to the idea of joining the military. Six years later, the number had fallen to 32 percent. Only a small decline in interest among white males was found, from 26 percent to 23 percent. A continuing study sponsored by the Pentagon points to increased opportunity in the private sector and the growth of the black middle class. Other possible factors: a shortage of black recruiters and the closing of recruiting offices in cities. Blacks, 12 percent of the U.S. population, now make up a disproportionate 22 percent of enlisted troops.

Two Indiana teenagers thought they had devised the perfect scam: signing checks with disappearing ink. But the too-clever teens, who allegedly passed $2,000 in such checks, forgot one detail: the name of one of the two, Jeffrey J. Pyrcioch, was permanently printed at the top of the checks. The vanishing signatures, moreover, can be restored at a police laboratory, authorities say. The suspects, Pyrcioch and Heather M. Green, could face eight years in prison.

Who said police work was difficult? After Philadelphia policemen learned that Jeremiah Allen, 29, had kidnapped his former girlfriend at gunpoint and driven her to his apartment, a quick thinker telephoned Mr. Allen and asked him to drop by the police station. Mr. Allen did, still carrying his gun. The Associated Press reported. And he brought the woman with him. Once there, he was arrested, and the woman was set free, unharmed. Mr. Allen was charged with kidnapping, aggravated assault and weapon offenses.

International Herald Tribune

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ASIA/PACIFIC

India Tries a 13-Party Coalition

By John F. Burns
New York Times Service

NEW DELHI — After two weeks of political turmoil, India has another new government, but even before the new prime minister took office there were signs that he may have trouble holding together a fractious 13-party coalition that almost broke apart in last-minute wrangling over cabinet posts.

For many Indians, it was a sobering moment as the political establishment gathered Saturday for the swearing-in of the second government in 17 days.

Despite the poverty, guerrilla warfare and political assassinations that have burdened the country in its five decades of independence, that it is the world's largest democracy — and that it has made smooth transitions to new governments after 10 previous elections — has given Indians widespread pride.

But all the pomp of the oath-taking ceremony could not disguise the unease at what some fear may become a new era of revolving-door governments.

The sight on television of the new prime minister, H. D. Deve Gowda, looking at an assembly that included two men who have been prime minister in the last three weeks, did little to ease concerns.

Mr. Gowda, 63, was little known outside his home state of Karnataka, in southern India, until the aftermath of the national election last month catapulted him into the leadership of a diverse coalition known as the United Front.

To many Indians, the figure he cuts, with his almost inaudible voice and self-deprecating references to himself, has seemed a far cry from the prime ministers of the past, like Nehru, Indira Gandhi and even Rajiv Gandhi.

But if Mr. Gowda felt daunted, he showed little sign of it. From the ceremony at which he took office along with 20 other cabinet ministers, he went immediately to a press conference, where he set about shoring up confidence in the coalition of centrists, socialists, Communists and regional parties that he heads.

The new prime minister says he will continue with market-based reforms.

Instead of viewing the new government as evidence of political instability and inability to elect a government that can tackle the country's overwhelming problems, he said, Indians should welcome it as a sign that the country will be ruled by a government that in its diversity more fully reflects India itself.

"Gone are the days when a single political party could govern the country," he told reporters who clamored about him in the Karnataka state guesthouse that has been his headquarters as he struggled to bring his political partners into agreement.

"Neither the Congress nor the Bharatiya Janata Party can form the government on its own," Mr. Gowda said, referring to the party that suffered a humiliating defeat in the election and its main rival, the Hindu nationalist Bharatiya Janata, which emerged from the voting as the single largest party.

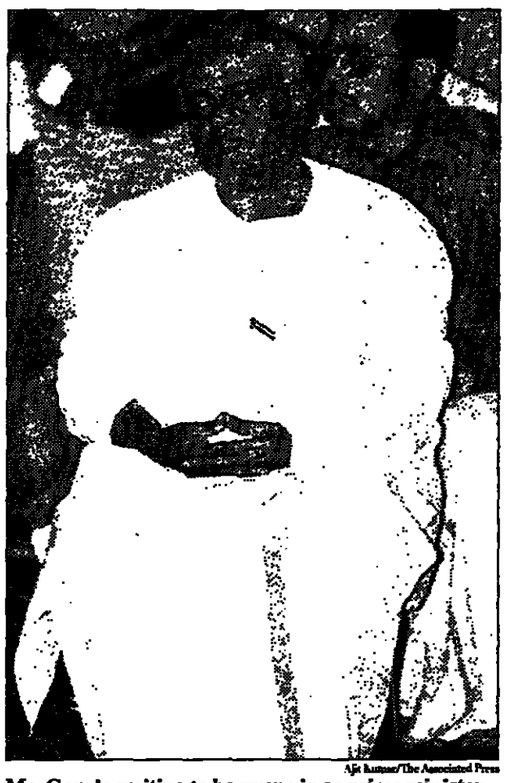
The new Indian leader gave a strong signal that the new government would make no radical departures from the policies of the Congress Party government of P. V. Narasimha Rao. Mr. Rao was prime minister for five years until his election debacle.

In particular, Mr. Gowda said he would continue with the market-based reforms that Mr. Rao introduced. He also said there would be no major break with India's existing foreign policy.

[Party officials said Sunday that the selection of a Harvard-educated free-market advocate, Palaniappan Chidambaram, as finance minister signaled that Mr. Gowda would zealously pursue free-market policies, Reuters reported.

["Chidambaram sends the right signals to external investors," the spokesman of the United Front, Jaipal Reddy, said.]

Mr. Gowda's remarks seemed intended to reassure the United States and other Western powers that India would stick to nonconfrontational policies on two major issues: relations with Pakistan and nuclear weapons development.



Ajit Kumar/The Associated Press
Mr. Gowda waiting to be sworn in as prime minister.

As Shanghai Takes Off, a Clinic Pinpoints Tradition

By Seth Faison
New York Times Service

SHANGHAI — On a narrow street in an old section of town, where small two-story homes are so cramped that many French-style balconies are cluttered with drying laundry or boxes of belongings that will not fit inside, the open doorway of one modest-looking house beckons to passers-by.

A simple white sign hangs on the wall: "Dr. Yang Jingqing."

Inside, squeezed around an aging wooden desk and an old cupboard collecting yellow tins of jasmine tea, eight patients sat on stools one recent morning, silently enduring the discomfort from a pair of long needles that protruded conspicuously from a patch of exposed skin on each of them.

A long-haired woman wearing a tangerine velour suit, Gu Pingping, looked as if she were somewhere between tears and a daydream, trying without success to ignore the needles stuck between her lower lip and chin. Next to her, a young man in sweat pants stared at pins sticking out of the side of each big toe.

A heavy, moist smell like burning hemp filled the room, rising from the hunk of smoldering mugwort, a medicinal plant, that hung precariously at needle's end on each patient, like a cigar butt ready to fall.

"It warms the needle," said Mr. Yang, who said he had been sticking needles into willing patients since 1922. "This way, the healing can go all through the body."

At 88, Mr. Yang is an old-fashioned practitioner of acupuncture, the centuries-old traditional Chinese method of healing.

As Shanghai hurtles toward modern life, discovering skyscrapers and traffic jams and urban stress unknown in recent decades, Mr. Yang's tiny clinic offers a taste of a simpler, quieter China. And that seems to appeal to people who are losing traditional aspects of life elsewhere in their day.

Although he hung out a shingle a dozen years ago, when he retired from work as an anesthesiologist at a nearby hospital (where he used acupuncture as an anesthetic), it is in the last few years that business has taken off, just as Shanghai's economy has. Maybe patients simply have a little extra cash to spend, and like to spend it on Mr. Yang, whose avuncular warmth and steady hand must be part of the draw.

At 8 A.M. on a recent day, a dozen patients were already lined up outside the door when he opened it. Some were elderly; others were young professionals like Julie Zou, 25, a graduate student in computer science.

"My work is in a technologically advanced field, but when it comes to my health, I prefer the old way," Miss Zou said, sitting on a stool 8 inches off the floor, with a needle sticking out of each calf. "I have a bad heart, and Mr. Yang's treatment makes me feel better."

The treatment is simple: two needles are stuck in a particular part of the body for 30 minutes. The next day, two needles are stuck in another part of the body. Each day's treatment costs five *renminbi*, or about 60 cents.

Acupuncture practitioners say they tap a path of the body's energy flow to treat illness or discomfort, and there are documented successes with many nerve- and muscle-related ailments.

Mr. Yang asserts that he can also cure infections, heart disease and even cancer, if his patients believe deeply enough. "It's best if you come every day," he said. "You have to trust it."

Dr. An Suyang, a Shanghai doctor trained in both Western and traditional Chinese medicine, said she estimated that acupuncture works in about a third of the cases. "In another third of the cases, it has no effect at all, and in the last third, it's hard to tell," she said.

Mr. Yang is licensed by the city's Health Bureau to run a private clinic, and the tiny room that fills with patients each day is his home.

His 62-year-old son, Yang Baoyi, acts as a clinic assistant, seating the patients, removing the needles — which he insisted are sterilized over a flame each night, after being used once a session.

"It's like a family restaurant," Yang Baoyi said. "Each one says they serve the best food. The only way to know for sure is to ask the patients."

So, does it feel better?

"I'm not sure," said Miss Gu, the patient in the tangerine suit. "I'd better come back again tomorrow."

BRIEFLY ASIA

Australian Charged in Shootings

DARWIN, Australia — A man reported to have shot five people, including four police officers, was charged Sunday with seven counts of attempted murder among a total of 23 separate charges.

The 23-year-old man from Palmerston, near Darwin, was scheduled to appear in court Monday, but the police said the hearing could be a bedside sitting at the Royal Darwin Hospital where he is being treated for a gunshot wound to the right arm. Bail was refused, and he was under police guard at the hospital.

All those wounded remained in stable condition Sunday at the hospital. *(AP)*

General Berates Burma Activists

RANGOON — One of Burma's most powerful generals denounced opposition activists as power-hungry stooges of imperialists, and called on the Burmese people to crush their destructionist efforts, official media said Sunday.

Lieutenant General Khin Nyunt, head of military intelligence and Secretary One of the ruling State Law and Order Restoration Council, said the Burmese would not tolerate people who were trying to upset the nation's stability. *(Reuters)*

Renewed Attack on Dalai Lama

BEIJING — China has launched a new, bitter attack on the Dalai Lama, Tibet's exiled god-king, saying the battle against him and his followers was one of "you die, I live" with no room left for compromise.

Tibet Daily's May 25 edition, seen in Beijing on Sunday, said a session of the People's Congress of the Chinese-ruled Himalayan region had unanimously approved a plan for development, which included the attack on the Dalai Lama.

"Everyone in the region must understand clearly that the struggle against the Dalai Lama group is a long-term, bitter, complex, you die I live political battle with no possibility of compromise," the paper quoted the document as saying. *(Reuters)*

Monitors for Bangladesh Polls

DHAKA, Bangladesh — Nearly 200 foreign observers will monitor the general elections in Bangladesh, an official said over the weekend.

With political tension rising, more than a half million soldiers will be deployed to ensure peace during the voting June 12, an election commission spokesman said. *(AP)*

VOICES From Asia

Albert Ho, a spokesman for the Hong Kong Alliance in Support of Patriotic Democratic Movements in China, on commemoration of the Tiananmen crackdown after the colony reverts to Chinese rule: "We will continue to protest, and if that means breaking the law after 1997, then we are prepared to go to prison for it." *(Reuters)*

Li Peng, the Chinese prime minister, waxing lyrical in a poem about the Three Gorges dam project:

"Beneath the towering Kunlun Mountains
The endless Yangtze flows to the east
Gazing at the vast fields and rivers of Sichuan
We find outstanding people everywhere
Just like stars twinkling in space." *(Reuters)*



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GERMANY*	D M	700	38	210
GREAT BRITAIN	£	210	36	65
GREECE	DR	90,000	29	27,000
IRELAND	£ IRL	230	37	68
ITALY	LIRE	510,000	50	155,000
LUXEMBOURG	L FR	14,000	41	4,200
NETHERLANDS	FL	790	42	240
NORWAY	N KR	3,500	40	1,050
PORTUGAL	ESC	51,000	39	15,500
SPAIN	PTAS	55,000	33	16,500
SWEDEN	S KR	3 500	40	1,000
SWITZERLAND	S. FR.	610	48	185
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CEI	$ US	750		225
UNITED STATES	$ US	360	34	115

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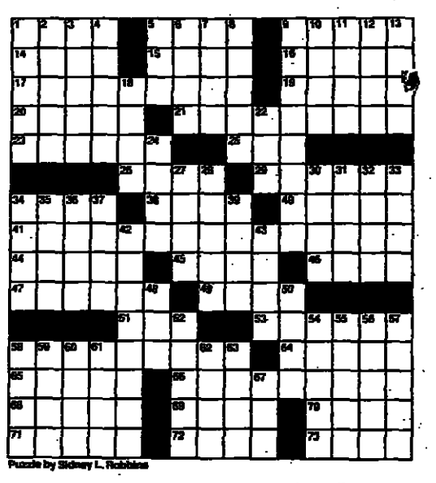
CROSSWORD

ACROSS
1 Songs by Queen Latifah
5 Prefix with sphere
9 Cavalry sword
14 Dictator Idi
15 Hold (up)
16 Money holder
17 Classic bouquet tosser
19 Furious
20 Houston pro
21 Wooed with music
23 Kind of collision
25 Commercials
26 Highlander's skirt
29 —— quo
34 Possesses
38 Skin opening
40 Chris of tennis
41 With 66-Across, an observation by Lowell
44 "—— Eat Cake"
45 Hard labor
46 Thick slice
47 Russian plain
49 Items hard to eat with a knife
51 German city on the Danube
53 Tics
58 Most stable
64 Pitch black
65 Winner's winning
66 See 41-Across
68 Older brother of Moses
69 Taj Mahal site
70 Curved molding
71 Pooped
72 Revolutionary Trotsky
73 Stalin's realm

DOWN
1 Former title in India
2 Entertain
3 One of Columbus's ships
4 Dummy Mortimer
5 Mar. follower
6 Speaker of baseball fame
7 Means
8 "Tosca" or "Thais," e.g.
9 Bachelorette of a certain age
10 Surrounding glow
11 Finishing nail
12 Town near Padua
13 Saxophone, e.g.
18 Enter criminal charges against
22 Actors Harris and Begley
24 Cheese —— (popular snack food)
27 Missing
28 Boy Scout group
30 Fifth and Mad., e.g.
31 Dabbling duck
32 —— Major
33 Injure with a pitchfork
34 Wise birds
35 Hone
36 Basketball great Thurmond
37 Bit of a climb
39 Toledo's lake
42 Sassy
43 "'Tis a pity!"
48 Israelite judge
50 Twirled
52 Veteran's pride
54 Region in the Loire valley
55 Wallops
56 Excavates
57 Ranch head?
58 Ems and Baden-Baden
59 Snare
60 The auld sod
61 Radio-controlled aerial bomb
62 One sought for advice
63 Novice
67 Author Fleming

Solution to Puzzle of May 31

B	L	A	C	K	B	E	A	R	D			F	O	B
T	A	U	R	O	M	A	C	H	Y		S	I	R	E
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S	T	I	P	E	S		E	N	E	R	G	I	E	S
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O	U	T	T	O		S	P	Y		S	A	I	L	
F	R	O	U	F	R	O	U		S	I	F	T	E	R
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O	R	L	E		F	A	S	T	E	N	O	N	T	O
S	A	S			T	R	E	S	P	A	S	S	E	S



Puzzle by Sidney L. Robbins

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EUROPE

Yeltsin's New Image for Young Russian Voters: Cool and Sober

By Lee Hockstader
Washington Post Service

UFA, Russia — A few years ago, fans of baseball and communism were treated to a rare sight: Fidel Castro, the Cuban leader, doing the wave during a seventh-inning stretch in Havana.

Now comes President Boris N. Yeltsin, who for a brief but electric moment did the twist at a rock concert here the other night.

Quite a plucky little twist it was, too, complete with swaying hips, flapping elbows and upper teeth bared over lower lip. The 10,000 youngsters at the concert went wild.

This was not a simple case of the Russian leader feeling fleetingly "groovy." As his re-election campaign enters its final few weeks, Mr. Yeltsin has undertaken an intensive 11th-hour change of image.

Gone is the sickly, bumbling, besotted Mr. Yeltsin of 1995. Meet the hearty, energetic, spontaneous, sober President Yeltsin of 1996.

The all-new Mr. Yeltsin of the campaign trail wades into crowds with a wireless microphone to banter with farmers, pensioners and students.

Beaming and with his white hair in perfect order, he confronts startled young women assigned to perform ceremonial dances at his appearances and demands, "Don't you have any questions for me?"

Here in Bashkortostan, an oil-producing region in the southern Urals, he drank fermented mare's milk and was presented with an enormous bear's hide.

And at an opera staged for his benefit, he watched regally as the Bashkir potentate paid homage to the Russian czar. In many respects, it is a Western-style campaign, complete with daily photo opportunities, sound bites and nervous advance men.

Mr. Yeltsin has scheduled nearly 10,000 miles (16,000 kilometers) of travel in the closing two weeks of his campaign. Although he appears to be holding up well so far, it is a grueling schedule for a man who returned to work only five months ago after two serious bouts of heart trouble.

Mr. Yeltsin, 65, has already exceeded the average life expectancy of a Russian man by eight years. Yet by playing to his strength as a campaigner with spark and charisma, the president has drawn a sharp contrast with his chief rival, the stiff Communist candidate, Gennadi A. Zyuganov.

"It's hard for me to compare because I didn't really live under the Communists," said Guzel Gatiyanulina, 19, a student who attended the concert. "But to me, Yeltsin is just a more attractive candidate."

A decade ago, Mr. Yeltsin made his name as the subway-riding, handshaking chief of the Communist Party organization in Moscow.

Muscovites, amazed, had never seen anything quite like it from the old, remote men of the Politburo. But as president, that image faded as Mr. Yeltsin became an increasingly aloof figure, shielded behind the Kremlin walls and surrounded by a shadowy circle of advisers.

Now, with just over two weeks to go before the first round of presidential elections June 16, Mr. Yeltsin is pulling out all the stops to show the Russian public he is the same energetic, healthy and engaged man they first met in the mid-1980s.

So far, his success appears limited. For some Russians, especially older ones, anything Mr. Yeltsin does at this point is too little, too late. They are the ones who have suffered the most from high prices, delays in wage and pension payments and the sudden uncertainty of life. And they are furious about the collapse of Soviet pride and prestige, and the soaring crime levels that have tormented every city.

"Here in Bashkortostan, we have 800,000 pensioners and veterans," nearly a third of the electorate, said Leonid Kireyev, 41, head of the Chamber of Commerce and chief of Mr. Yeltsin's campaign in Ufa, an oil-refining and petrochemical center as well as the regional capital. "The word 'Communist' is sacred for them."

But for many younger voters, who are focusing on politics for the first time, Mr. Yeltsin's image is more positive. Evidence suggests that Mr. Yeltsin's barnstorming, high-impact campaign is making an impression on them.

BRIEFLY EUROPE

Scots Party Backs Legal Prostitution

PITLOCHRY, Scotland — Leaders of the Scottish National Party voted Sunday in favor of legalizing prostitution despite fears that the proposal could hurt them in the next election.

The party said 70 percent of its members, voting at the annual meeting of the party's national council here, supported decriminalization of prostitution.

The council voted in favor of authorizing "zones of tolerance" in certain neighborhoods and licenses for certain establishments such as massage parlors where sex is paid for. The action would be at the discretion of the local authority.

The motion, adopted despite the personal opposition of the party leader Alex Salmond, seeks the abolition of "arbitrary laws prohibiting commercial sex between consenting adults" and of keeping police dossiers on prostitutes.

"You can be sure this will be used very heavily against us in the coming election," said another opponent, Andrew Walsh, a member of Parliament. *(AFP)*

Rhine Ships Blocked

BONN — The wreck of a Dutch freighter partly blocked the Rhine on Sunday for a second day, restricting shipping traffic to only one direction, a river police spokesman said.

Upstream and downstream traffic were alternating in six-hour intervals on a single channel through a stretch of river north of the town of Xanten, the river police said. *(Reuters)*

New Paris TV Head

PARIS — France's broadcasting regulatory board announced Sunday that it had chosen Xavier Gouyou-Beauchamps as the new head of French public television.

Mr. Gouyou-Beauchamps, currently general manager of public channel France 3, succeeds the veteran journalist Jean-Pierre Elkabbach, who resigned last Friday in a controversy over multimillion-dollar fees paid to star entertainers. *(Reuters)*

Calendar

European Union events scheduled for Monday.

LUXEMBOURG: Economy and finance ministers meet.

LUXEMBOURG: Agriculture ministers meet to debate lifting of ban on British exports of beef gelatine, tallow and sperm.

LUXEMBOURG: Social affairs ministers meet.

BRUSSELS: European commissioner for humanitarian aid, Emma Bonino, receives the UN under secretary-general for humanitarian affairs, Yasushi Akashi.

BRUSSELS: Visit of Prime Minister Mesut Yilmaz of Turkey.

Sources: Agence Europe, AFP

(Most of) Italy Celebrates 50th Year as Republic

Reuters

ROME — Italy marked 50 years as a republic Sunday with President Oscar Luigi Scalfaro calling the country "one and indivisible," while the secessionist-minded Northern League swore in a self-styled "government."

Mr. Scalfaro addressed a rare joint session of Parliament in Rome to mark the half-century of the day war-weary Italians voted to end the monarchy of the Savoy family.

The result sent Italy's last king, Umberto II, into exile in Portugal, where he died more than three decades later.

Male heirs of Umberto, whose father, Victor Emmanuel, was accused of allowing 20 years of Fascist dictatorship, are banned from returning. But Mr. Scalfaro called for a review of the ban.

Mr. Scalfaro recited a litany of lights and shadows of Italy's postwar history — from economic progress miracles to terrorism, from international solidarity to unemployment, from altruism to widespread corruption scandals.

While the 77-year-old president addressed the dark-suited deputies in Rome, Umberto Bossi, the 55-year-old firebrand leader of the Northern League, shouted the demands of his secessionist-minded movement in an open collar and rolled-up sleeves in the north.

"The people are here; democracy is here," Mr. Bossi exclaimed at an outdoor rally in the northern town of Pontida. He called those who attended the ceremony in Rome "mummies in the palace crying."

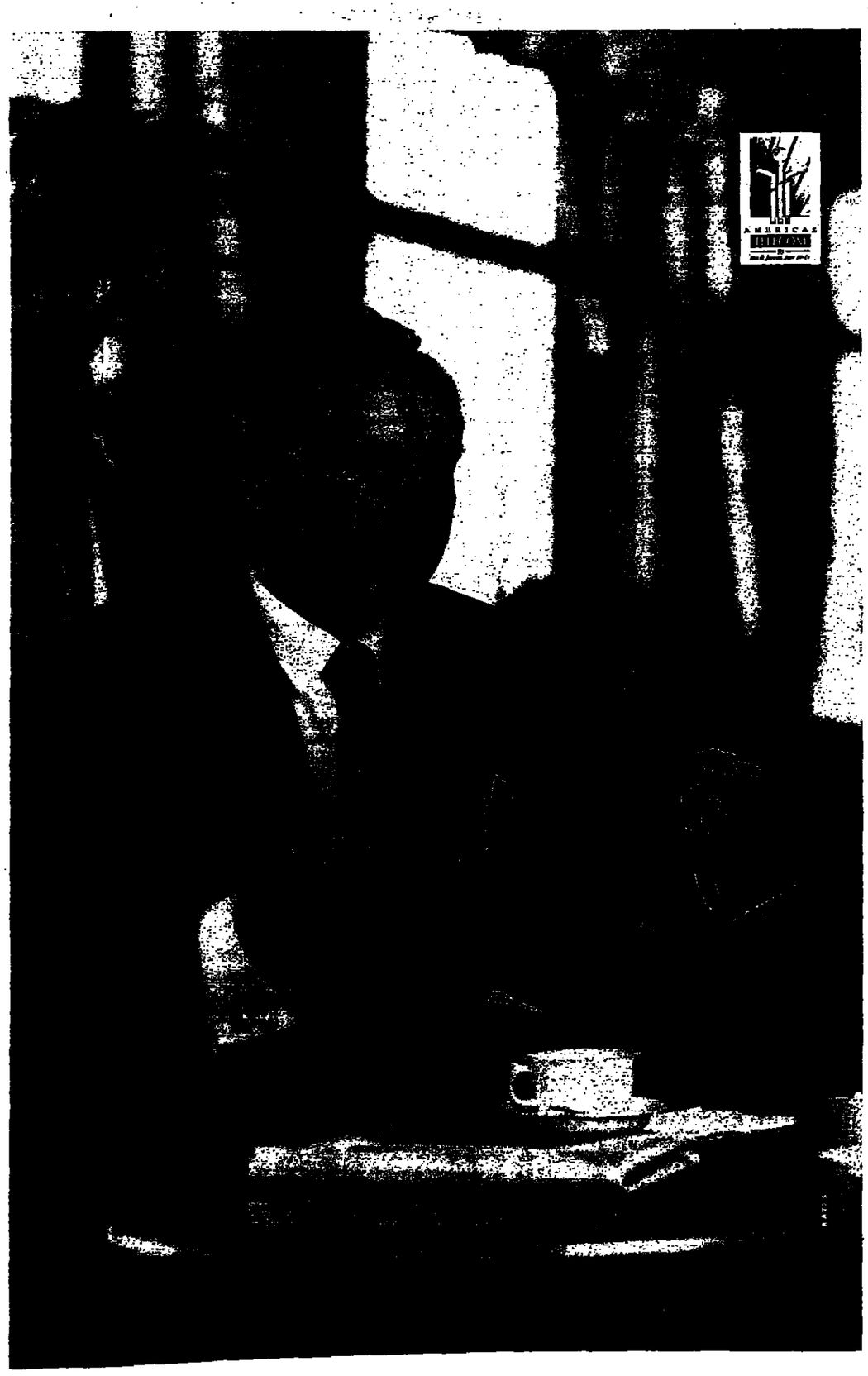
Some 100,000 people gathered in the northern town to hear Mr. Bossi's speech and watch the swearing-in of the "government of Padania." Padania, a term which derives from the Padana plain that stretches across much of northern Italy, is what those who favor secession, or at least a federalist Italy, would call the north. The 13 "ministers" swore to defend the "self-determination of Padania." The league already has its own self-styled Parliament, based in Mantua.

Last week Mr. Bossi said he believed a referendum was needed on whether the industrial north should split from the poorer south, which league members said is too corrupt to be saved.



Pluto Lepre/The Associated Press

President Oscar Luigi Scalfaro, center, followed by other Italian government officials climbing the steps of the Victor Emmanuel monument Sunday in Rome to lay a wreath at the tomb of the unknown soldier.



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EUROPE



Armando Babani/Agence France-Presse

Albanian ex-Communists in Tirana demanding the annulation of recent elections.

Albania's Autocrat: No Postelection Blush

By Jane Perlez
New York Times Service

TIRANA, Albania — When an unknown apparatchik with a big medical reputation emerged as a key negotiator in the downfall of Europe's strictest Communist government, Washington believed that it had found its man in the volatile Balkans.

He knew how to talk about democracy and how to expound on the merits of a market economy. He was eager to make his ragged country a doormat for American military interests.

But slowly in the last few years, Sali Berisha, 51, a ruddy-faced man with a frequent down-at-the-mouth grimace, seemed to show his true autocratic instincts. In the last week, he unfolded them for all to see.

After what diplomats are calling the most fraudulent elections in Europe's post-Communist era, followed by the beatings and arrests of opposition supporters by of truncheon-wielding police, he has few apologies.

"Such events are not happy, but they happen everywhere," he said in an interview in his office overlooking a lush green Mediterranean-style garden. "And they are probably worse in an unqualified police force like here. What is important for the United States to understand is that you have in your campaigns the killing of candidates."

He said he was relieved that during the police attacks in the main square of the capital last week, "we have not had a death."

"The police have a clear-cut order not to shoot," he said.

Human Rights Watch, the New York-based group, called on the United States and European governments to declare the Albanian elections held May 26 invalid. The European Union called for reruns.

Mr. Berisha's failure to abide by some basic tenets of democracy during parliamentary elections is of little surprise to Albanians who know him.

Nor is it surprising to anyone who heard him at campaign rallies where in his deep, gravely voice he whipped up a frenzy of enthusiasm with his denunciations of opposition parties as a "red front" intent on bringing back the past.

In fact, the foreign policy and domestic programs of the main parties running in Albania's election favor forging ahead with the market economy and maintaining strong ties with the West.

For Albanians, Mr. Berisha's increasingly hard line resembles a retreat to an unpleasant past.

Already, Mr. Berisha's Albania carries the marks of one-party rule. Since becoming president four years ago, he has pushed aside, and in some cases into exile and jail, those who worked with him to found the Democratic Party.

He relies instead on former Hoxha insiders, including Memet Elezi, the leader of the Communist Youth Movement under Mr. Hoxha, now Mr. Berisha's chief political adviser.

Mr. Berisha insists that freedom of the press prevails. But journalists have been arrested and thrown into jail. On election night on Sunday, the government printing press declined to publish the two main opposition papers.

Yet, Mr. Berisha, who unlike many East European leaders keeps his door open to Western journalists and likes to talk in his usable English, contrasted the current situation with the Hoxha era, when books were passed clandestinely from person to person like precious parcels. In this fashion, he said, he read Arthur Koestler's "Darkness at Noon," and his favorite French writers, Sartre and Camus.

As a young doctor, he was allowed a rare trip abroad — for cardiology studies in Paris in 1978. He stayed about a year and perfected his French. "I was very sad about the differences I saw between the outside and inside Albania," he said. But he wanted to be home as soon as possible. "I loved what I learned, but I'm linked to my country."

■ New Voting Begins

Albanians went to the polls Sunday to vote in nine electoral districts left undecided after the May 26 vote, The Associated Press reported from Tirana.

Neelam Sanjeeva Reddy Dies, Ex-India President

Reuters

BANGALORE, India — Neelam Sanjeeva Reddy, 83, president of India from 1977 to 1982 and a figure at the center of a split in the Congress Party in 1969, died here Saturday of pneumonia.

The government of Prime Minister H. D. Deve Gowda, sworn in earlier in the day, declared seven days' mourning for Mr. Reddy.

Mr. Reddy made his first bid for the presidency — a ceremonial post chosen by members of Parliament and state assemblies — in 1969 as the official candidate of the Congress Party. He was backed by the party old guard but opposed by Prime Minister Indira Gandhi, whose choice, V. V. Giri, won.

The contest precipitated a split. The faction opposed to Mrs. Gandhi later merged with the Janata Party. After Janata formed India's first non-Congress government in 1977, Mr. Reddy was elected the country's sixth president as the Janata nominee. After his five-year term he retired to his farm and rarely commented on politics.

Dr. Cuthbert C. Hurd, 85, a computer scientist and entrepreneur instrumental in developing IBM's first general-purpose computer, died May 22 at his home in Portola Valley, California. He also helped develop other computers and was a consultant to IBM for years after leaving in 1962 to become chairman of the board of Computer Usage Co., the first independent computer software company.

Sidney A. Swensrud, 95, a former president and chairman of the Gulf Oil Corp., who led the company on a major expansion, died Wednesday in Naples, Florida, of pancreatic cancer.

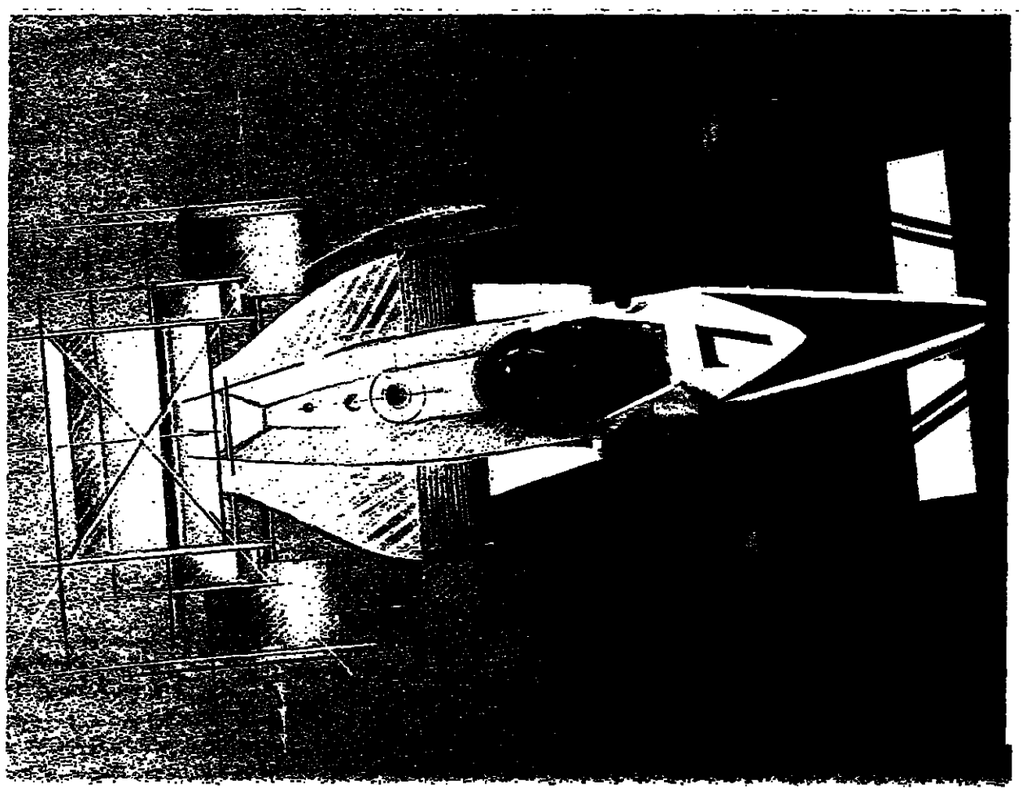
Mother Marie Antoinette de la Trinité, 76, the superior general of the Little Sisters of the Poor, who was instrumental in expanding the order's presence worldwide, died Wednesday in Paris.

François Genoud, 81, a Nazi sympathizer who published the diaries of Josef Goebbels and was a banker to Arab militants and defender of terrorists, died Thursday in Lausanne, Switzerland. A family spokesman said that he poisoned himself.



Paul McErlane/The Associated Press

Gerry Adams, Sinn Fein's president, speaking with reporters in Belfast.



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A New Role for Mitchell?

Ex-Senator May Get Major Post in Ulster Peace Talks

By James F. Clarity
New York Times Service

BELFAST — Britain and Ireland are virtually certain to appoint George J. Mitchell to a major post in the Northern Ireland peace talks that start on June 10, officials and diplomats here and in Dublin said Sunday.

Mr. Mitchell, a former U.S. senator who was chairman of an international commission on the disarmament of paramilitary forces here earlier this year, is known to be ready to accept a major role in the new talks.

His commission's recommendation in January on how to handle the disarmament issue provided grounds for compromise that the Irish and British governments incorporated into the process that led to the June 10 talks, designed to achieve a political settlment of the sectarian warfare since 1969 between the Protestant majority and the Roman Catholic minority in the British province of Ulster.

While Protestant paramilitary weapons were discussed by the Mitchell commission, the focus of the disarmament problem is on the Irish Republican Army, the overwhelmingly Roman Catholic force that has an estimated 100 tons of weapons, including explosives.

The precise role and title for Mr. Mitchell has not been decided, but it was possible, officials said, that he would be chairman of the talks. He probably would be assisted by the two other members of the disarmament commission, former Prime Minister Harri Holkeri of Finland and General John de Chastelain of Canada.

In part, the appointment of Mr. Mitchell was seen as a way to persuade the IRA to reinstate the 17-month cease-fire it broke on Feb. 9 with a series of bomb attacks in London.

While his commission took testimony on disarmament in December, Mr. Mitchell won the respect and trust of Sinn Fein, the IRA political wing, and Sinn Fein has made it clear it would welcome a role for him in the new talks.

To make Mr. Mitchell's selection bipartisan, it needs the approval of David Trimble, head of the largest Protestant party, the Ulster Unionists. He has been discussing the appointment with American officials in Washington and is expected to talk to Mr. Mitchell by telephone this week.

Sinn Fein showed unusual strength last Thursday in an election to select negotiating teams for the June talks, gaining 15.5 percent of the vote in this British province, the highest total the party has ever polled. But the Irish and British governments insist that Sinn Fein will not be admitted to the talks until the IRA restores the cease-fire.

In addition to the decision to appoint Mr. Mitchell, the British government was making other moves to encourage Sinn Fein to procure a new cease-fire from the IRA.

Sir Patrick Mayhew, the Northern Ireland secretary, appeared on Saturday to have changed the British position on how the disarmament issue will handled once the talks begin.

Sinn Fein and the IRA fear that the talks will be a trap in which they are forced to discuss and enact disarmament before any political issues are considered.

The Mitchell commission compromise proposed that disarmament and political negotiations take place simultaneously. Initially, Britain indicated that it would require disarmament to begin before Sinn Fein could be admitted. Then Britain said the issue could be dealt with as the first item on the talks agenda.

But Saturday, in an interview on BBC radio, Sir Patrick said the disarmament discussion could parallel other agenda topics, apparently in keeping with the Mitchell recommendations approved by Sinn Fein.

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INTERNATIONAL

Storm Over Mexico's Patron Saint

By John Ward Anderson
Washington Post Service

MEXICO CITY — When the taxi driver Gerardo Becerri heard the breathless radio announcer urging listeners to stand by for an incredible story that would shock all of Mexico, he immediately thought there had been another political assassination. Then came the report, and it was almost as stunning.

The abbot of the Basilica of Guadalupe, Mexico's holiest shrine to the country's patron saint, the Virgin of Guadalupe, had declared that the story of the Virgin's appearance before an Indian peasant in 1531 was just that — a story, a myth, "a symbol," he said. It was not a historical event.

The backlash was immediate. The offending abbot, Monsignor Guillermo Schulenburg Prado, 80, was denounced by a chorus of Mexican bishops, who called for his resignation and a Vatican inquiry. Some suggested he was senile.

The faithful, who visit the shrine in Mexico City by the millions each year to seek favors from "the mother of all Mexicans," many crawling the last 100 yards on their knees, were not forgiving either. The only thing left for Monsigner Schulenburg to say is, "Good-bye," said Francisco García, 73, who visited the basilica last week. The outraged reaction illustrates the unusually high esteem reserved for the dark-skinned Virgin of Guadalupe and the deep faith of Mexico's 85 million Roman Catholics, who make up about 90 percent of the country's population.

The appearance of the brown-skinned Virgin to the Indian peasant Juan Diego 465 years ago, and the Catholic Church's recognition of the event, played a critical role in the conversion of Mexican Indians to Christianity and in fusing the country's Mayan and Aztec cultures with the Euro-Christian culture of the Spanish conquistadors.

When the Reverend Miguel Hidalgo y Costilla initiated Mexico's war for independence from Spain in 1810, he cried, "Long live the Virgin of Guadalupe and down with bad government!" Her picture became the rallying banner for the revolution. In a poll in the newspaper Reforma, 78 percent of the Catholics surveyed said they had an image of the Virgin in their homes.

Monsignor Schulenburg, abbot of the basilica for 33 years, has denied questioning Juan Diego's existence and the appearance before him of the Virgin. In a statement released by his office, Monsignor Schulenburg said the comments attributed to him were "absolutely false," adding: "It is a pity that there exist malevolent minds that provoke this type of confused campaign."

The controversy began after Monsignor Schulenburg was quoted in the Italian magazine 30 Giorni as having said that Juan Diego "is a symbol, not a reality." He was also quoted saying that the beatification of Juan Diego by Pope John Paul II in 1990 did not confirm the man's existence, but was done in recognition of the cult that had grown up around him. Beatification is a preliminary classification for sainthood.

The story in 30 Giorni was apparently based on an interview Monsignor Schulenburg gave last year to a Mexican magazine called Ixtus, raising the question of why Mexican Church authorities are only now making an issue of it.

Church observers here said it was possible that Monsignor Schulenburg, who drives a Mercedes and is not a favorite of the Mexico City archbishop, Norberto Rivera, could be the target of internal church politics. One observer suggested that Monsignor Schulenburg's opponents were doing "a hatchet job" on him because he favors splitting Mexico City's huge archdiocese into two parts, with his cathedral at the center of one part. Archbishop Rivera opposes the division.



Heriberto Rodriguez/Reuters

UNMASKING INFLATION — Masked as former President Carlos Salinas, a demonstrator pretending to ask for mercy in Mexico City during a teachers' demonstration for wage increases to offset inflation.

BOOKS

KENNEDY AND NIXON: The Rivalry That Shaped Postwar America

By Christopher Matthews. Illustrated. 377 pages. $25. Simon & Schuster.

Reviewed by
Michiko Kakutani

THEY were the odd couple of American politics: Kennedy the charming aristocrat, debonair, self-confident and beloved; Nixon the perpetual outsider, calculating, self-conscious and maligned.

One would be remembered as the martyred king of Camelot; the other as "Tricky Dick," the dark prince who resigned the presidency in shame. The two men began together in Congress as friends, and later became bitter rivals for the highest office in the land. They would go down in history, in Nixon's own words, as "a pair of unmatched bookends."

For Christopher Matthews, Washington bureau chief for The San Francisco Examiner, the rivalry between John F. Kennedy and Richard M. Nixon was no simple personality contest. Rather, it was a rivalry, in his words, that "changed them and their country," a rivalry "that shaped postwar America."

These are large claims to make, and in trying to prove them, Matthews frequently over-reaches himself. The resulting book, while seasoned with fascinating anecdotes about Nixon and Kennedy's involvement with one another, is melodramatic and reductive.

Like an Oliver Stone film, it tries to explain the tumult of history with a simplistic thesis; like an Oliver Stone film, it tries to filter complicated political events through a single narrow lens.

Many of the events recounted in "Kennedy and Nixon" will be familiar to anyone who has read Stephen Ambrose's three-volume biography of Nixon or H.R. Haldeman's White House diaries. For that matter, the broad outline of events will be familiar to anyone with a cursory knowledge of Nixon's and Kennedy's records.

Once again, we are treated to accounts of Nixon's role in the Alger Hiss case, his famous Checkers speech, his narrow loss to Kennedy in the 1960 presidential race, his unsuccessful bid for the governorship of California and his turbulent presidency.

Once again, we are told about his resentment of the upper classes, his envy of Kennedy's easy charm and his ferocious determination to compensate for his shortcomings with guile and sheer will.

The same thing goes for Kennedy. All the old stories are here: his use of family connections and clout to win election to the House; his efforts to conceal his health problems from the public; his masterly defeat of Nixon in their first televised debate; his dangerous mishandling of the Bay of Pigs crisis, and his assassination in Dallas in 1963.

It's no revelation that Kennedy and Nixon always had more in common than their heated rivalry suggested. Way back in 1960, Eric Sevareid declared that both men were "cool cats" who were "devoid of deep passions or strong convictions, sharp, ambitious, opportunistic, with no commitments except to personal advancement."

Matthews reminds us that both men were fervent anti-Communists, that both evinced sympathy for Joseph R. McCarthy, that both were pragmatists who prided themselves on their political savvy. Both were former naval officers, both entered the House as freshmen in 1947 and both ended up on the influential Education and Labor Committee. Matthews also recounts that Joseph P. Kennedy, the senator's pugnacious father, approached Nixon in 1960 and, in praising his anti-Communist activities, said, "Dick, if my boy can't make it, I'm for you."

From the start, it seems, Nixon was always a bit in awe of his charismatic hall mate, and as Matthews tells it, Kennedy was the first to jettison their friendship, unnerving Nixon with his chilly disdain during their famous debate. In fact, in Matthews's account, Kennedy emerges as the colder, more Machiavellian of the pair. Matthews says that Nixon, who had been warned by his advisers to avoid the "assassin image" he'd acquired in his early campaigns against Jerry Voorhis and Helen Gahagan Douglas, "never did get all that tough with Jack Kennedy." His rival, however, appears to have had few such scruples. After the inaugural ceremonies, Matthews writes, Nixon leaped to his feet to congratulate Kennedy in a show of sportsmanship, but the new president treated his rival "as a social discard; a gentleman finessing a gatecrasher."

By the end of the book, the reader is supposed to see a wide range of events — from Nixon's decision to install a taping system in the White House to the defeat of Ronald Reagan's 1987 nomination of Robert H. Bork to the Supreme Court — as a byproduct of the Nixon-Kennedy rivalry.

To make matters worse, Matthews's prose belongs in a romance novel, not a work of serious political commentary. He observes that "for one man's dream to become reality, the other's had to become a nightmare." And he portentously declares that "from the moment Nixon was elected president, major forces were collaborating in his downfall, sprung from the legacy of John F. Kennedy."

Perhaps worst of all are Matthews's repeated efforts to borrow imagery from "Amadeus," comparing Kennedy with the divinely gifted Mozart, and Nixon with the envious Salieri, an analogy that's rendered meaningless by the many recent biographies of Kennedy (not to mention Matthews's own acidic portrait), which depict him as a not-so-visionary pragmatist who made a lot of mistakes.

In the end, such unthinking and heavy-handed analogies undermine Matthews's credibility as a historian, even as they set the tone of this hyperbolic and reductive book.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

STEWART and Weinstein, are stepfather and stepson and are the third pair to win the Annual Cavendish Invitational Pairs twice in the event's history. This year they started strongly by making a game on the diagramed deal that often failed others.

Many modern experts give jump shift responses specialized meanings. Here, Stewart's jump to two spades showed invitational values with at least five spades and at least four hearts, leading quickly to four spades.

The opening diamond lead was won with dummy's ace, and a heart was played to the ace. A club to the ten was won by the king, and East returned a heart to the king in dummy. The spade eight was led from dummy, and East's play of the nine strongly suggested a singleton. With a ten-nine doubleton, he might well have played the ten. The queen was played, losing to the king, and another diamond forced South to ruff.

A second club was led, and West took the ace and played his last diamond to force another ruff. This left West with superior trump length, but it did him no good. South cashed the heart queen and led to the dub queen, reducing West to three trumps. A diamond was ruffed with the spade jack, and West was forced to underuff revealingly. Stewart now made his game by finessing against the spade ten, and the partnership gained 122 imps, a large first step on the road to victory.

NORTH (D)
♠ A 8 5
♡ K 2
◇ A Q 5 4 2
♣ Q 10 8

WEST
♠ K 10 4 2
♡ J 8 6
◇ J 10 3
♣ A J 3

EAST
♠ 9
♡ 10 9 5 4
◇ K 9 7 6
♣ K 8 4 2

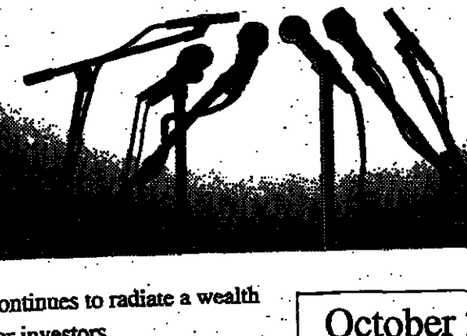
SOUTH
♠ Q J 7 6 3
♡ A Q 7 3
◇ 8
♣ 9 7 5

East and West were vulnerable. The bidding:

North	East	South	West
1 ◇	Pass	2 ♠	Pass
4 ♠	Pass	Pass	Pass

West led the diamond jack.

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4. *What is the best time of the year for a golf event?* _____
5. *What are your budget limits?* _____
6. *How many consecutive days could you commit to such an event?* _____
7. *Could you stay overnight?* ❑ Yes ❑ No
8. *Which of these items would you like included in the package?*
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   - *Golf Psychology Session* ❑ Yes ❑ No
   - *Tuition* ❑ Yes ❑ No
   - *Other Leisure Activities* ❑ Yes ❑ No
9. *Would you encourage participation of professional players in some capacity?* ❑ Yes ❑ No
10. *Could you play in such an event during the week?* ❑ Yes ❑ No
11. *What other activities would you like included on the program?* _____

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Netanyahu's Tasks

After one of its closest elections, Israel will have a new prime minister, a new governing coalition in Parliament and a new approach to peace.

Benjamin Netanyahu's leadership will be judged by how well he balances the expectations of the Israelis who elected him with the hopes of those who voted for Shimon Peres. The early indications are encouraging. Mr. Netanyahu's first post-election statements have stressed national reconciliation and a continued quest for peace.

Mr. Peres and his predecessor, Yitzhak Rabin, deserve lasting recognition as the men who launched difficult but necessary peace negotiations with the Palestinians. The greatest tribute to their efforts is that the main parties have declared their commitment to continued peace diplomacy.

Mr. Netanyahu's reassuring words will be measured against his deeds, as the new prime minister chooses a cabinet, inherits the responsibility of carrying out existing peace agreements and reveals his own approach to further talks with the Palestinians and, perhaps, Syria. By building a broad coalition embracing most of the center as well as rightist and religious parties, Mr. Netanyahu can minimize his dependence on extremists who would cancel binding peace agreements.

Once in office, he will immediately face two issues Mr. Peres had postponed. The restrictions imposed on the movement of Palestinians in the West Bank and Gaza after suicide bombings in Jerusalem and Tel Aviv earlier this year are strangling the Palestinian economy and undermining the commitment of many Palestinians to peace. Mr. Netanyahu should set an early timetable for easing the restrictions.

Israeli military forces were originally scheduled to withdraw from Arab areas of Hebron in March, leaving only a reduced force to protect Jewish enclaves. Mr. Peres, with the consent of Yasser Arafat, the Palestinian leader, delayed that partial withdrawal until after the Israeli elections. Mr. Netanyahu, a supporter of Jewish settlement in Hebron, suggested during the campaign that the withdrawal ought to be delayed for several more years. He should focus his efforts on assuring the security of Jewish areas and religious sites and withdraw Israeli troops from Palestinian areas of the city.

If Mr. Netanyahu is serious about wanting to pursue peace with the Palestinians, he will need a more constructive approach than he has outlined so far for the next phase of negotiations. The talks are expected to deal with such issues as the future of Jewish settlements, the Palestinian role in Jerusalem and the question of Palestinian statehood. Mr. Netanyahu says he will expand settlements, keep Jerusalem undivided and never recognize a Palestinian state. Negotiation will require some compromise in these areas.

Israel's most important partner remains the United States. U.S. support for Israeli security does not depend on the political party in power in Washington or Jerusalem, but President Bill Clinton should nudge Mr. Netanyahu to keep the peace effort alive.

The Israeli campaign, while conducted with admirable dignity and seriousness, was fought over polarizing political issues. Benjamin Netanyahu's most pressing responsibility is to reunify a nation that has always found its greatest strength in broadly shared ideals and ambitious but pragmatic national goals.

—THE NEW YORK TIMES.

Teenage Curfews

Once again echoing Senator Bob Dole, who endorsed the idea of teenage curfews in a California speech, President Bill Clinton took the same line in New Orleans. To be sure, he did not call for some rigid federal standard or condition receipt of federal funds on the enactment of local curfew laws. But he did wax nostalgic about maternal instructions to be home by the time the street lights come on. And he recommended to state and city officials a Justice Department report on how these programs can be set up to pass court review and work effectively.

Curfews have become popular in crime-ridden urban areas of the 1990s. Seventy-three percent of the nation's 200 largest cities have laws requiring teenagers, up to 16 in some jurisdictions and 18 in others, to be off the streets after a certain hour each night. Most, like the District of Columbia, ignore the law. It is expensive and difficult to enforce and diverts scarce police from more urgent responsibilities. Curfews may also be unconstitutional, for though the laws are almost routinely challenged, the Supreme Court has not yet spoken on this question. But even when carefully drafted, as is the Dallas statute that has been approved by the U.S. Court of Appeals for the 5th Circuit, they should be rejected on policy grounds.

The primary argument against curfew laws is that they lump together all persons of a certain age and place a burden on innocent, hard-working young people as well as potential thugs. The risk of selective enforcement is high, and it is not hard to predict which neighborhoods would be the focus of police attention and which would be ignored. The laws are also difficult to enforce. Most, of necessity, have many exceptions for teenagers who are working, going to church or other acceptable meetings, coming home from educational events, accompanied by adults or out on some emergency errand. Asking 17-year-olds to carry notes from their mothers on all these occasions is unreasonable.

Do they work, as the president implies, in reducing juvenile crime? In most of the examples cited in the Justice Department report, curfew laws were combined with intensive social services, significant expenditures for recreational facilities and special job-creation programs for youths. These factors may have been the main reason for the drop in crime, rather than any sweeping law that puts anyone who looks like a teenager under suspicion after 10 o'clock at night.

Teenage curfew laws are a facile response to crime. But as every responsible government leader should know, fighting crime within a constitutional framework is far more difficult than simply rounding up every teenager who is standing on a corner at five after 10 on a summer night.

—THE WASHINGTON POST.

World Cup Diplomacy

In South Korea, Buddhist monks were praying for success. In Japan, officials were promising to spend $4 billion if they won. Up for grabs was the World Cup soccer tournament in 2002, the world's most popular sporting event and one that has never been held in Asia. Japan and Korea, surface allies but longtime rivals, were the only bidders. The much-wined, much-dined officials of FIFA, the international soccer association, had to make the call.

On Friday, FIFA blinked — a wise and diplomatic blink. For the first time in history, a World Cup will take place in two countries. Neither Japan nor South Korea fully won. But, what is more important, neither country lost.

Japan and Korea's history together takes in invasions and attempted invasions a few centuries back and descends to Japan's colonization of Korea from 1910 to 1945. As recently as this year, the two countries were exchanging verbal blows over possession of a few rocks in the sea that lies between them. Now they will have to cooperate to make the World Cup a success. Before Friday's decision, Korean officials especially were demanding outright victory. "Our pride and special history with Japan demand that we beat Japan. Otherwise, we will suffer a tremendous humiliation for a long time to come," Korea's World Cup chief had said. But Friday, despite mixed reactions on the streets of Seoul and Tokyo, President Kim Young Sam of South Korea bravely welcomed FIFA's decision as an opportunity "to further solidify the friendly relations of Japan and Korea." Japanese diplomats were similarly upbeat.

Of course, the really tough negotiations only begin now. Who gets the opening ceremony? Who gets the final match? No doubt each nation will put its best diplomats to work on these questions, and solutions will not come easily. The good news is that, with such vital issues at stake, past disagreements over fishing rights, trade deficits and possession of those ocean rocks will fade to their rightful insignificance.

—THE WASHINGTON POST.

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Israel and America: A Peace Consensus Is Shaken

By William Pfaff

PARIS — Israel's election was a referendum on how Israelis saw both their security and the peace process, but it was also a referendum on Israel's relationship with the United States — even though Israeli voters may not have fully appreciated the latter.

The United States has sponsored, supported and partly financed the Israel-PLO accords and the slow and difficult process of accommodation between Israel and the Palestinians. President Bill Clinton ostentatiously supported re-election of the Labor Party and of Shimon Peres as prime minister. Mr. Peres' defeat was a blow to Mr. Clinton's ambition to campaign in the fall as an international peacemaker. It was also a blow to the American majority's view of how peace will come about in the Middle East.

The Bush administration made enemies in Israel for opposing Likud policies, in particular Likud's program for expanding Jewish colonies on the West Bank and in Hebron, which the new prime minister, Benjamin Netanyahu, says he will resume.

Under Democrats and Republicans, the United States has committed itself to the program of Israeli-Palestinian reconciliation conducted by the Labor governments of Yitzhak Rabin and Mr. Peres, and has opposed policies to which Likud's new leader is committed.

Mr. Netanyahu says, of course, that he favors continuing the peace process, but adds that he considers the Oslo and Washington accords "a starting point." He opposes a Palestinian state, will not consider a changed status for Jerusalem, and promises to reinforce and develop the Jewish colonies on the West Bank and in Hebron.

He also has threatened to return Israeli security forces to areas now supposedly Palestinian. From the Palestinian point of view, all of this leaves nothing of importance to discuss; Mr. Netanyahu has ruled out concessions on any of the serious issues.

The effect of this is likely to destroy the PLO's authority, and that of Yasser Arafat, with effective Palestinian leadership passing to those who have opposed the peace process. If the new prime minister behaves as he has promised to, the peace process has come to an end. The Middle East is back where it was before the Oslo talks began.

Mr. Netanyahu also rejects any settlement with Syria that would require "any territorial concession concerning the Golan Heights." Mr. Peres was prepared to give up both the Golan Heights and that part of southern Lebanon under Israeli occupation if, in exchange, he could have peace with Syria and Lebanon. He expected this, in turn, to produce a normalization of political and economic relations with most of the other Arab countries.

He took for granted that Iran and some others would continue to support the Islamic fundamentalist groups hostile to Israel. But if Mr. Peres's policies succeeded, he expected Israel finally to be accepted as a state like other states by the majority of the Islamic nations of the Middle East. Mr. Netanyahu's supporters say concessions will only put the Arab world in a better position to resume its attacks on Israel.

Israeli voters have made their choice out of comprehensible concerns for their security. That their choice finds little sympathy abroad is of no consequence in itself, since Israel's problems are its own.

But Israel is heavily dependent on the United States for support, and is by far the main recipient of U.S. foreign aid. There is wide support for that aid among the American political class, but there is much less support for it in American public opinion generally. It is a simple reality of political life that Israel cannot expect indefinitely to enjoy large public subsidies from the United States if Israel rejects the Middle Eastern peace process recommended and fostered by the leadership of both the main American political parties, and favored by the greater part of American public opinion. In the long run, something will crack.

Mr. Netanyahu has many friends in Washington. Likud has many supporters in the American Jewish community and the American press. But Mr. Netanyahu wants to take his country in one direction, while Americans in general prefer the direction in which Mr. Peres was headed. That is the reality of the choice Israeli voters have made.

International Herald Tribune.
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Now for the Hard Part

By Thomas L. Friedman

WASHINGTON — The bad guys won. No, I'm not talking about those Israelis who voted for Benjamin Netanyahu. They are entitled to their choice. I'm talking about the Jewish and Muslim extremists, whose actions made Mr. Netanyahu's victory possible.

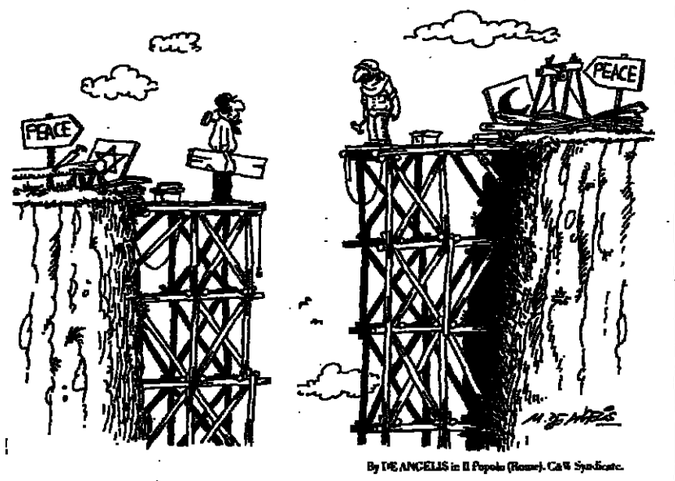
I'm talking first and foremost about the one Israeli who got to vote twice. His name is Yigal Amir and he is the religious extremist who assassinated Yitzhak Rabin. Under Israeli law, even an assassin gets to vote. So last Wednesday, at the Ohalei Kedar Prison, Mr. Amir trudged out of his cell in shackles and cast his vote — no doubt for Mr. Netanyahu. What poetic injustice. First Mr. Amir voted with a bullet and then he voted with a ballot. Having murdered the one Labor Party leader who would have beaten Mr. Netanyahu, Mr. Amir finished his work with a legal flourish, sealing his ballot.

In killing Mr. Rabin, Mr. Amir deprived the Labor Party of its only leader who embodied both a vision of reconciliation with the Palestinians and the toughness to persuade a majority of Israelis to follow him. Shimon Peres just couldn't bring together those attributes.

But Mr. Amir did something else. By killing Mr. Rabin, he raised the specter of civil war in Israel, if the peace process went any further. In the wake of the assassination, many Israelis subconsciously wanted to remove the peace process from the public agenda, and that, too, worked against Mr. Peres.

What Mr. Amir began, the Palestinian suicide bombers finished off. The suicide bombers wiped out Mr. Peres's lead in the polls by creating a sense among Israelis that the peace process equaled insecurity. Who, then, can blame so many Israelis for reaching out to the appeal of Mr. Netanyahu: "Peace with security," and without any further concessions to the Arabs?

The forces that made Mr. Netanyahu a winning candidate will make him a disastrous prime minister, unless he can break free of them. No Likud leader has ever inherited what Mr. Netanyahu is inheriting: two implemented peace accords with the Palestinians and a pathway to a final settlement, a full peace with Jordan and Egypt, low-level negotiations with Syria, diplomatic ties with Morocco, Qatar, Oman and Tunisia, unprecedented support from the United States, plus a booming economy. Mr. Netanyahu has promised to preserve this, while also bringing more security.



By DE ANGELIS in Il Popolo (Rome). CWS Syndicate.

That is what he will be judged on. Yitzhak Rabin and Shimon Peres are casualties of their historic decisions in 1993 that produced this inheritance. These two formed one of the most unique leadership teams in Jewish history. Their successes derived from a willingness to face the truth that the security of Israel lies in decisions that will cost some Jewish solidarity. They did not shrink from those decisions. Mr. Rabin paid with his life for his courage. And Mr. Peres paid with his career. Now comes Mr. Netanyahu, riding in on the slogans that Israel can have peace without concessions, security without Palestinian partners and solidarity without costs. Of course, there is no such thing, and soon he will confront that truth. Only then will we know whether he is capable of making the wrenching decisions vital for Israel's long-term survival.

The New York Times.

Put a Free Press Atop the Agenda of the Former Yugoslavia

By Kati Marton

WASHINGTON — They don't shoot reporters, or even jail them anymore, in post-war former Yugoslavia. Today the authoritarian governments of the Balkans use more subtle measures to control the media.

After a 10-day fact-finding trip to Sarajevo, Belgrade and Zagreb and talks with the leaders of all three countries, I am convinced a healthy democratic opposition will not take root here without stronger Western pressure on Serb, Croatian and Bosnian leaders. All three leaders — Slobodan Milosevic, Franjo Tudjman and Alija Izetbegovic — promised to uphold the right to free speech and free press in Dayton, but all three are falling far short of delivering on that promise.

The Balkan media's plight goes much further than the issue of the population's rights of free speech and free press. It was the media in Belgrade, Zagreb and, to a much lesser degree, Sarajevo that fueled the ethnic passions that unleashed the war. It is essential for the security of Europe and the United States that free media are established in Bosnia, Serbia and Croatia.

The situation is most critical in Bosnia. In September, nationwide elections will be held that will anchor the fragile new entity of Bosnia-Herzegovina to a new central government. Without a free press, the dream of reviving a multiethnic society will fade.

It is still too dangerous for Bosnian journalists to cover more than a sliver of the country. The brave ones who try come back shaken from the experience, with stories of being pulled off the road when Serb militia loyal to the indicted war criminal who still heads the Bosnia Serbs — Radovan Karadzic — spotted their Sarajevo plates and hauled them in for "questioning."

In Bosnia, as elsewhere, television is how most people get their news. What limited television there is (only one of nine transmitters survived the war) is under the control of President Alija Izetbegovic's governing party. This makes it difficult for opposition candidates, such as former prime minister Haris Silajdzic, to get their message out in the election campaign.

In Belgrade and Zagreb, independent media are controlled by the use of "financial police": government accountants who swoop down on opposition press and find their bookkeeping wanting. On April 25, such "accountants" swept into the office of the Croatian weekly Panorama and ordered all staff to leave. The magazine remains shut. The reason: alleged "failure to meet technical, health and ecological standards necessary for operating."

When I asked President Tudjman why his government is suing another independent paper, Novi List, for a ruinous sum, he ordered an aide to fetch the cover of the satiric weekly, Feral Tribune, which featured Mr. Tudjman's face atop Rambo's body. "Would any other world leader put up with this?" he asked.

Another technique both Mr. Milosevic and Mr. Tudjman use to quiet the voices of dissent is to claim that formerly state-controlled media were "improperly privatized." Using that device, Serbian police entered Belgrade's Studio B and pulled the plug. Now all Serb television is under Mr. Milosevic's control. But Mr. Milosevic assured me that he has instructed the media to tamp down their former anti-Muslim and anti-Croat fervor and get behind the Dayton accords.

Mr. Milosevic also controls newsprint, the life blood of newspapers, and thus manipulates the independent dailies' circulation. Nasa Borba, the only major independent daily in Serbia, struggles to reach more than 10,000 readers, whereas Politika, the pro-Milosevic paper, never suffers from a newsprint shortage and reaches 300,000 readers.

But the Balkan leaders are not the implacable dictators of the past. There are many pressure points. Serbia badly wants the remaining sanctions lifted. Bosnia, the real victim in the war, as well as Serbia and Croatia, need Western investment, IMF loans, European Union membership and respectability. In their need is our opportunity. A price must be exacted for all those things, and part of that price should be the one ingredient that separates a democracy from every other form of government: a free press.

The writer is chairwoman of the Committee to Protect Journalists and is married to Richard Holbrooke, the chief negotiator of the Dayton peace agreement on Bosnia. She contributed this comment to The Washington Post.

The Issues? All Puff and Palaver

By Flora Lewis

LOS ANGELES — To hear the politicians snap and jab, the United States is at a historic crossroads and this year's elections will decide its fate. To hear what they're arguing about, Americans are preoccupied with esoteric issues that affect a tiny percentage of the population and have little to do with governance.

An unusual procedure called partial birth abortion has been maneuvered into a major political controversy. It is a method of provoking end-of-term abortion in grave circumstances, but has been selected to provide a particularly gruesome focus for the whole question of law on abortion.

Same-sex marriage has been made into a similar hot issue, standing in on one side for the claim of homosexuals to equal legal rights and on the other to express distaste for homosexuality. Since Hawaii is planning to permit such civil marriages, the legal issue is whether other states may refuse to recognize these unions despite the constitutional obligation for each state to credit the others' laws.

Again, this is hardly a problem affecting masses of people. If it were just about finding a fair and reasonable answer to questions like sharing property, inheritance, medical coverage of dedicated couples, then contract law could give an adequate solution. The law needn't, can't really, deal with emotions. It's a political scarecrow.

"Family values," never clearly defined, do involve most people, but they don't derive from government and legislation has never been able to impose them.

Bob Dole has sought to make reducing the tax on gasoline by 4.3 cents a gallon into a burning issue to symbolize the wish for lower taxes. President Bill Clinton says he'll agree if Mr. Dole supports raising the minimum wage.

It's all pointless puff. The two proposals have nothing to do with each other, and America, which has about the lowest price of gasoline of any industrial country, suffers from its being too cheap, not too expensive. The result is bigger, energy-inefficient cars, poor road maintenance, more pollution and more dependence on imports.

This is the foreground. It's no wonder that the background is distaste for politicians and a feeling that politics has little to do with real life.

Certainly, people do worry, about jobs, about their children's prospects, about their personal security, about national cohesion when extremists gain wide audiences. They are more interested in America's role in the world than public palaver reflects. They suspect, often rightly, that they aren't being told the real choices and that those seeking to represent and decide for them don't know, don't care, don't think about what lies beyond election day.

Bosnia, not much of an issue at the moment, is an example. It is clear that the Dayton agreements with NATO force have worked to separate the belligerents but are failing to restore civil society. Prescribed conditions are not being met for September's elections, so either they will be a farce held under false pretenses or it will have to be admitted that the deadline for withdrawing the troops cannot responsibly be kept.

Debate on foreign policy is especially on "hot button" items, such as pandering to what is probably only a very vocal minority of Cuban refugees at the price of offending all America's friends with extra-territorial judicial threats, or denouncing the tolerance of Iranian arms shipments to Bosnia.

What Theodore Roosevelt called the "bully pulpit" has fallen into disuse. The job of a democratic leader is more than to wield power, it is to explain, to educate, to inform and to foresee so that voters can act knowledgeably.

The wise idea of some free air time for politics toward the end of the U.S. campaign is gaining ground. There should also be a requirement that candidates present their views in person, not with film clips or sycophants, and that they use a minimum of three to five minutes, too long for negative snarls offering nothing.

It's all very well to preach democracy to the world, better to practice it responsibly at home.

© Flora Lewis

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: A Nervous Globe

PARIS — [The Herald says in an Editorial:] The banquet of the British Chamber of Commerce last night [June 2] featured the last public appearance of the Marquis of Dufferin and Ava, Her Britannic Majesty's Ambassador to the French Republic, who is about to retire. His speech insists on the amicable spirit of negotiations between the English and French Governments. He adds that the globe has become a bundle of nerves where disturbance at one point sends a tremor throughout, but that diplomacy has hitherto succeeded in warding off the storms.

1921: Riots in Tulsa

TULSA — 3,000 negroes are corraled in convention hall here by the State national guard, ending a race riot which started last night [June 1] and in which more than 50 persons were killed. The riot started when 200 negroes attempted to storm the jail and release another of their race who had been arrested, charged with attacking a white girl. The fighting spread rapidly and continued until the arrival of 2,000 guardsmen who overpowered the blacks. Officials estimate that the rioting involved 1,500 armed negroes and 2,000 whites.

1946: U-Boat Spotter

NEW YORK — A new war secret, a magnetic finger on airplanes that pointed unerringly at underwater submarines and sealed Gibraltar's straits to U-boat passage, was disclosed yesterday [June 1] by Columbia University. The finger is a magnetic detector attached to a plane which points to the magnetic disturbance of a steel ship. If the water is not deep, the device ought to show the same indications for a ship full of gold as for a submarine full of torpedos.

INTERNATIONAL

Anti-Beijing Protest in Hong Kong

Reuters

HONG KONG — Protesters scuffled with the police here Sunday as thousands of demonstrators marked the seventh anniversary of China's crackdown on the student-led protests in Beijing in 1989.

The demonstrators, numbering over 3,000, vowed to continue their protests until China declared that it was wrong to crush the demonstrations and punished the culprits. "We will go on until our demands are met," said a legislator, Tsang Kin-shing.

After marching through the central city streets, some of the protesters rammed barricades outside the Xinhua press agency, China's de facto embassy in the British colony, in an attempt to place a mock coffin at the entrance. The casket bore a sign saying "The people's heroes will be remembered forever."

Others gathered outside Xinhua, holding big black and white banners, a symbol of mourning. Bearing placards saying "Never forget June 4" and "Fight for democracy and freedom of speech," they joined hands and sang patriotic songs.

An exiled mainland dissident, Han Dongfang, jailed by China for his role in the 1989 protests, warned of violent clashes after 1997. "We probably won't be allowed to do this," he said, referring to the Sunday demonstrations.

Hong Kong returns to Chinese sovereignty at midnight on June 30, 1997.

"We will continue to protest, and if that means breaking the law after 1997, then we are prepared to go to prison for it," said Albert Ho, a spokesman for the Hong Kong Alliance in Support of the Democratic and Patriotic Movement in China.

The crushing of student-led demonstrations near Tiananmen Square on June 4, 1989, dealt a heavy blow to Hong Kong's morale as it prepared for reversion to Chinese sovereignty. About a million people marched on Xinhua in Hong Kong in the days after the crackdown.

In a related development, the Chinese police said they would hold the dissident Wang Xizhe for about two weeks, his wife said Sunday. Mr. Wang was taken into custody Friday as he lunched with his family in a restaurant in Nanhai, about 40 kilometers (25 miles) from Guangzhou.

His wife, Su Jiang, said she went to the Guangzhou police station to deliver clothing and other personal items. "I asked about him and they wouldn't let me see him, but I know he's there," she said.

She said the police told her Mr. Wang would be held for failing to obtain approval to leave Guangzhou to go to Nanhai.

Mr. Wang was paroled in February 1993 after serving 12 years of a 14-year sentence for "counterrevolutionary" crimes, and is one of the most outspoken proponents of democracy in China.

Chinese police routinely round up dissidents in the days leading up to June 4, fearing the protest anniversary could spark another burst of unrest. Since Mr. Wang's release in February 1993, the police have detained him each year during the June 4 anniversary period.



Dexter Cruez/The Associated Press

FLOWING AGAIN — Two women getting relief at a tap in Colombo after water supplies were restored to regions of Sri Lanka. A strike by 14,000 workers has left the country without utilities since last Wednesday.

Clinton to Send Top Aide to China

By Jim Mann
Los Angeles Times

WASHINGTON — President Bill Clinton is preparing to send his national security adviser, W. Anthony Lake, to Beijing within the next few weeks to try to ease continuing friction between the United States and China.

In addition, some Republicans believe that the Clinton administration is trying to ensure that there is no more trouble with Beijing during this campaign year, while holding out the prospect of a postelection trip to China by the president or Vice President Al Gore.

Secretary of State Warren M. Christopher made one visit to Beijing in March 1994, during which the Chinese leadership rounded up dissidents and rebuffed all discussions of human rights. Secretary of Defense William J. Perry traveled to China in the fall of that year. Commerce Secretary Ronald H. Brown went to Beijing in October 1995 to boost trade relations.

Since then, no top-level U.S. official has gone to China, though there have been several meetings between officials of the two countries in other locations. Critics have been complaining that one reason relations between Washington and Beijing are so rocky is that they are usually conducted at relatively low levels.

An administration official said Friday that Mr. Lake's trip was not yet settled, and things were being worked out with the Chinese. The official said the purpose of the visit would be to talk with China about the "big picture issues" facing Washington and Beijing.

Other sources said that Mr. Lake's trip would come soon, perhaps in about two weeks, and that he would be accompanied by Sandra Kristof, director of Asian affairs on the National Security Council.

The Clinton administration is wrestling with a series of disputes with China. On Friday, Mr. Clinton formally sent to Capitol Hill his decision to extend China's most-favored-nation trading benefits.

Washington and Beijing are now said to be drawing closer to a settlement of the dispute over China's piracy of intellectual property. And last month, the U.S. announced that it would not impose sanctions on China for its sale to Pakistan of ring magnets that can be used in a nuclear weapons program.

James R. Lilley, a former U.S. ambassador to China, said that administration officials "want China to think about an improving relationship, so that there will be no flaps."

Bangkok's New Governor Pledges Action on Traffic

The Associated Press

BANGKOK — Voters in Bangkok elected an environmentally minded candidate as governor on Sunday to bring order to one of the world's most chaotic cities, according to election officials.

Pichit Rattakul, 50, an independent whose lack of experience in city administration apparently struck voters as a plus, outstripped his nearest rivals in the 29-candidate field — Chamlong Srimuang, who has served twice as governor, and Krisda Arunvongsena Ayutthaya, the incumbent.

A former member of Parliament whose appeal lay primarily with Bangkok's burgeoning middle class, Mr. Pichit becomes mayor of a city choking on cars, construction and allegations of corruption.

Mr. Chamlong, 60, a devout Buddhist known internationally for leading antigovernment protests in 1992, announced his retirement from politics after the results came out.

A record 43.52 percent of Bangkok's 3.6 million eligible voters cast ballots, nearly double the turnout four years ago, according to official results from the Bangkok Metropolitan Authority. The final tally showed Mr. Pichit capturing 768,994, or 48.7 percent, of the 1,578,061 votes cast, and easily outdistancing Mr. Chamlong, who received 514,401 votes, or 32.6 percent.

Mr. Pichit promised to put environmental concerns higher on the agenda and to plan for a mass-transit system.

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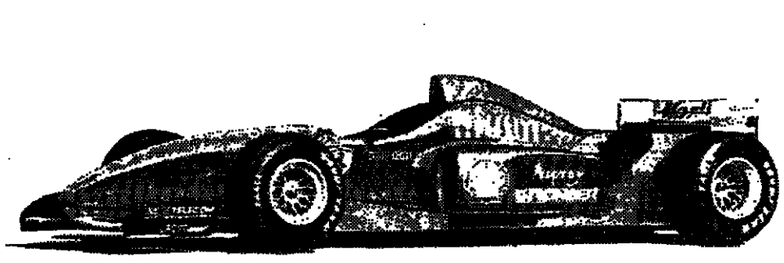
The event will be attended by several ministers from the MERCOSUR member countries. His Excellency, Carlos Menem, as current President of the MERCOSUR Council, will give the closing address. Many business leaders from Argentina and other member countries will participate.

This two-day meeting represents a propitious occasion for obtaining first-hand information on investment opportunities in the MERCOSUR, particularly with respect to infrastructure. Moreover, senior MERCOSUR officials and other experts will examine the potential importance of the new EU-MERCOSUR economic and commercial framework cooperation agreement.

Registration requirements to Magdalena Segre, IRELA Conferences, Pedro de Valdivia 10, 3°, 28006 Madrid, Spain

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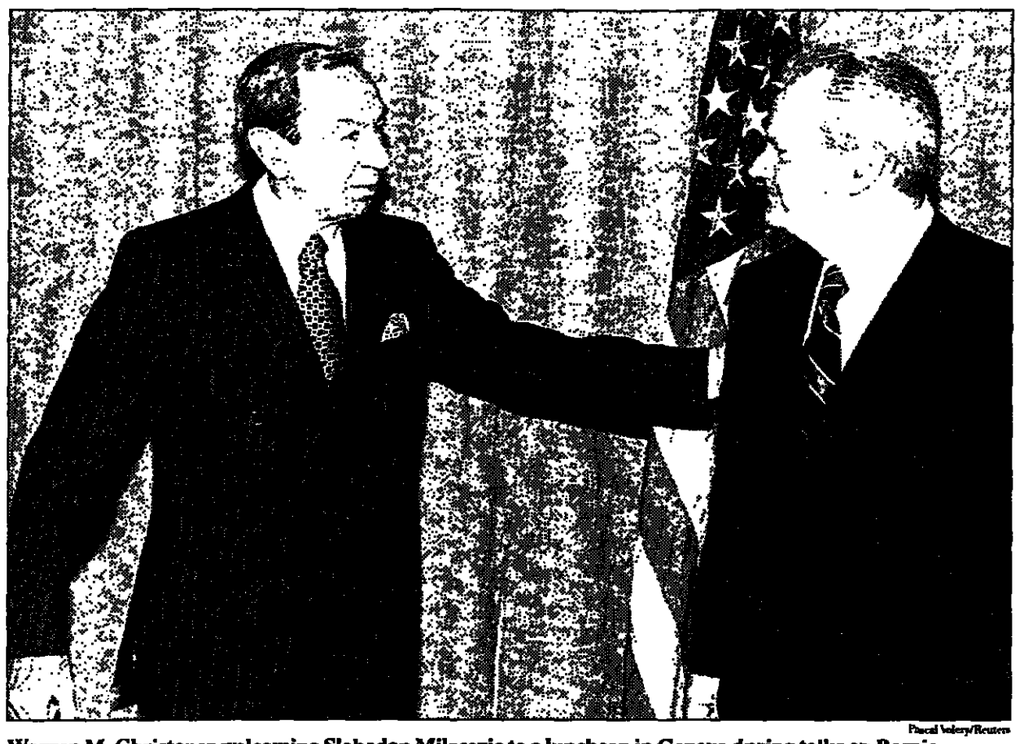
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kevlar and titanium.
Some of the
precious materials we are
working with so
successfully this year.



CONGRATULATIONS TO MICHAEL SCHUMACHER ON HIS FIRST GRAND PRIX VICTORY FOR FERRARI.

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BOND STREET - FIFTH AVENUE

INTERNATIONAL



Pascal Volery/Reuters

Warren M. Christoper welcoming Slobodan Milosevic to a luncheon in Geneva during talks on Bosnia.

Q&A / Sadako Ogata

Barriers to Healing in Bosnia

Hopes for consolidating the peace in Bosnia depend partly on the success of getting displaced people back to their homes, an effort spearheaded by the United Nations High Commissioner for Refugees, Sadako Ogata. Just back from an inspection tour, she spoke to the IHT's Joseph Fitchett about the prospects for reconciliation.

Q. You have visited Bosnia often; this time what was the strongest impression you came away with?

A. There's no war, but there's no peace. I felt a bit good at undeniable signs of progress — there's food, no roadblocks — so living conditions have improved on the surface. But the real problem is the political-ethnic divisions persisting among Muslims, Croats and Serbs. At Dayton six months ago, we foresaw difficulties, but we didn't foresee the extent to which the political blockage among the parties would block freedom of movement. We thought the military separation lines would assure security and ease this, and to a degree it has, but mainly for people in areas who belong to the controlling majority. We had not foreseen the difficulty of movement for people seeking to enter areas dominated by another political-ethnic faction.

Q. Apparently UNHCR buses are being interfered with.

A. Things have deteriorated this week under the new hard-line prime minister named by the Bosnian Serb leadership. On my visit last month I met with all three parties in the Banja Luka area and got encouragement — including from Serbs, who sounded more moderate then — for trying to produce, step by step, visits between different entities, for example, Muslim refugees visiting their old homes in a Serb-controlled area or vice versa.

That was the point of my proposal about the buses. It will be difficult but you have to try it, I was told. But that sign of greater openness on the part of the Bosnian Serbs was turned around with the change of prime minister.

•

Q. Do you think that the NATO peacekeeping troops, should convoy the buses by force if necessary?

A. No. These visits are supposed to be confidence building measures, trying to make people feel that they can go back and make those on the receiving end feel, when they see former neighbors, whom they probably chased out, that maybe after all, seeing their faces, it is possible to become neighbors again. If you implement the visits by force, it would just harden attitudes — exactly the opposite effect from the confidence building we want.

Q. What are the prospects for meaningful elections on the current timetable of a final decision this month to proceed with voting in September?

A. The dates were set in Dayton, and a lot if not all of us felt that it was overly optimistic, and that has been confirmed by what's happening now. My trip was designed to unblock the question of inter-entity visits — not cross-entity returns by refugees to their homes, just visits. I thought I'd got it, but now it's blocked again. If there's not freedom of movement just for visits, how can people go and vote?

Q. If elections are premature, do you recommend postponing them?

A. Not having elections could have very adverse effects politically and actually worsen the situation. We simply mustn't have too high expectations about the event.

Q. Are there things that could be done to get closer to fully free and fair elections? For example, what about absentee ballots?

A. You need some independent broadcasting open to all sides. There are provisions for absentee voting, but refugees have to be able to show where they were registered in 1991.

Q. Could the moment come when you simply tell one side or another that you refuse to work with them unless they are more cooperative?

A. This war was about ethnic cleansing and hard-liners are still hoping to see it. But there are still people on all sides in Bosnia who stand for multiethnic civilization and we have to help them, no matter how long it takes. We must not give up.

BOSNIA: *Christopher Steps Up Pressure to Depose Karadzic*

Continued from Page 1

Some OSCE officials have complained of "intense pressure" from Washington and most European capitals to certify the elections. Mr. Christopher also met on Sunday with Flavio Cotti, the Swiss foreign minister and the OSCE chairman, and Robert Frowick, a retired U.S. diplomat who heads the organization's Sarajevo mission.

Senior American officials said that the announcement of the election date would mean OSCE certification, and that OSCE officials were "on board."

They said the announcement could come as early as June 14, when the parties to the Dayton accords gather in Florence to judge compliance with them at their halfway mark.

Mr. Christopher met separately with President Franjo Tudjman of Croatia and the Bosnian Muslim leader, Alija Izetbegovic. Earlier in the day, Mr. Izetbegovic said that unless Mr. Karadzic were out of Pale and in jail in The Hague, elections should not go ahead.

The Muslims are trying to use the election date as leverage on other issues, like war criminals and freedom of movement, American officials said, and Mr. Izetbegovic supported an "agreed statement" by the three Bosnian leaders that "the most important next step in the peace process will be to hold free and fair elections within the time period" set out in Dayton, between June 14 and Sept. 14.

The leaders "recommitted themselves to the task of establishing the necessary conditions for these elections under the supervision of the OSCE," the statement continued. "Delay in elections risks widening the divisions that continue to exist."

U.S. officials stressed this theme, saying that conditions were never going to be "perfect." The State Department spokesman, Nicholas Burns, said that "it will not be possible to have pristine, ideal conditions" after four and a half years of war, and that the United States favored creating "the best possible conditions."

On Sunday, Mr. Cotti said: "We have been given the not easy task of making a general judgment about the conditions for organizing these elections." He said he hoped "by the end of this month to be able to give an answer to that question."

But after meeting both men on Sunday, American officials said they "fully expect" the setting of a firm date, and thus certification, by the end of June. They said that the OSCE would continue to monitor and supervise preparations for the elections, and that if war resumed, for instance, it would obviously mean that elections could not go ahead.

The United States put Mr. Frowick into the job to be able to guide the election process, which Washington regards as vital to the larger Dayton goal of building a unitary, multiethnic state. The elections, when they take place, will be under a new constitution, and since indicted war criminals may not run, they will by definition be stripped of office.

"Bosnia remains a troubled country, but the prospect of renewed violence is fading," Mr. Christopher said. "Elections are a necessary precondition for a democratic life, another way to eliminate indicted war criminals from office, and gives all the people of Bosnia a chance to shape their future."

OECD: *Time for Economy Cuts Comes to an Economic Think Tank*

Continued from Page 1

"The fact that Russia has applied for membership is very important," he said. "For them to apply is a recognition that they have to liberalize their economy and meet some very high standards."

Asked about Europe's anemic economy and efforts to reduce public spending, Mr. Johnston said that "people in Europe are walking a tightrope between social and political stability, and economic growth. If anyone of these is not present, you will have problems."

But he refused to comment on prospects of Europe's meeting the timetable for a single currency by 1999, saying, "I have only personal views."

Mr. Johnston wants to use the OECD to conduct more research on trade and investment issues, and to work more closely with the World Trade Organization. This could worry some developing countries that fear the prospect of rich industrial nations dictating the terms of the world trade agenda.

"We are going to run a lean shop here," Mr. Johnston pledged.

He said the organization "is going to be run with a real value-for-money philosophy, and with value-for-money auditing."

"My idea is to prepare a five-year budget and to say that here is the core level of activity that members want, and now let us see how much we can do without."

Mr. Johnston, who was president of Canada's Liberal Party until 1994, cited his own experience in government in Canada, saying, "It is absolutely fundamental that when you have to reduce budget in any bureaucracy that the worse thing to do is to cut across the board because you risk throwing out the good with the bad."

While stressing that the OECD is "an extremely valuable organization," Mr. Johnston said he wanted "to look at the support side of the organization, the less substantive side, because if it is like most organizations, then you can make some savings by looking at the accountability."

He described the budget for support services as "excessively high."

CZECHS: *After Elections, Coalition Is Shaky*

Continued from Page 1

short of a mandate — when the final electoral calculations are issued later this week.

No one could predict Sunday the probable survival rate for a minority Klaus government. What is clear, though, is that Mr. Klaus lost valuable time in working with the present government under far more favorable conditions.

Mr. Klaus's economic program, which included rapid mass privatization and produced a stable currency, triggered an annual, and enviable, growth rate with inflation below 9 percent per year and unemployment below 3 percent.

This past year, some analysts said, Mr. Klaus held back from much-needed, if potentially painful, restructuring of mines and railroads, bank privatization and regulation of energy costs, until the elections were past.

"If he didn't do these things in the four years he had a strong mandate, how will he tackle these things from a weaker vantage point?" one political insider asked.

Mr. Havel will be meeting with the leaders of three other parliamentary parties in order to decide whether a minority government can rule.

Mr. Havel, who has largely been relegated to play the role of ceremonial president for the last couple of years, will be key to resolving the splintered political spectrum.

4 Russians Are Killed By a Mine In Grozny

The Associated Press

MOSCOW — Four Russian soldiers were killed and five others wounded when their armored personnel carrier hit a mine Sunday in Grozny, the Chechen capital.

The incident came on the second day of a cease-fire marked by accusations of violations on both sides and a breakdown in talks.

The Interfax news agency said Russian and rebel officials were trying to agree on a prisoner exchange, a sign that the sides were keeping lines of communication open despite the rising tensions.

It said the discussion centered on 26 Russians the rebels captured Saturday in the Nozhai-Yurt region, southeast of Grozny, and 10 Chechens taken prisoner by the Russians a day earlier in the city of Shali.

The warring sides claimed incidents in both places violated either the letter or the spirit of the cease-fire, signed last week by President Boris N. Yeltsin and the Chechen rebel leader, Zelimkhan Yandarbiyev.

The cease-fire started a minute after midnight on Saturday. It was supposed to be accompanied by formal talks in neighboring Dagestan, but the rebels canceled the meeting after the clash at Shali.

A rebel spokesman, Movladi Udugov, congratulated Russian forces in Shali for the "brilliantly prepared provocation, which resulted in the breakdown of talks."

He said the rebel leadership would decide Sunday on a proposal to hold truce talks next week.

Further negotiations are an essential step in moving forward the peace process, something Mr. Yeltsin considers vital to his chances of re-election this month.

Mr. Yeltsin sent troops into Chechnya to end a rebellion.

LANGUAGE

The Unabomber Spelling Quiz

By William Safire

WASHINGTON — Pronunciation rules spelling. Not always, of course — the *ou* in *rough, cough,* and *drought* has three different sounds, but a front-page murder case illustrates the power that pronunciation exerts on the way we spell words.

"The Hunt for the Unabomer" was headlined on the cover of Newsweek in 1995, and a year later, when a suspect was apprehended, the headline read: "The Unabomer Saga." In The New York Times, text sometimes referred to "the Unabom case," while a photo caption read, "The first Unabomb book" — with two *b's,* as in *bomb.* As Lou D'Angelo of New York writes: "To 'b' or not to 'b': that is my question."

The confusion began at the FBI. Agents on the case, who are allowed to give a case file an informal name, created an acronym: *UNA* stood for *Universities and Airlines,* where bombs were received in the mail over nearly two decades, and *BOM* stood for *bomb.* Nobody at the bureau is willing to take responsibility for dropping the second *b.* Reporters picked up the FBI usage and wrote of "the Unabom case." (In New York Times style, if an acronym contains more than four letters, the first letter of that acronym is capitalized and the rest is lowercased.)

The problem came with the addition of the *-er* to denote the perpetrator. In *Unabomer,* the *e* signals the pronunciation of the previous vowel as a long *o:* "bome," rhyming with "home." But the perp is a bomber, not a "bomer"; without the second *b,* the word looks as if it should rhyme with "Homer." After considerable internal anguish (once a word has been spelled one way on two covers, editors feel committed to that spelling), Newsweek bowed to the pressure of readers and other publications and put in the second *b.* At The New York Times, the policy decision was *Unabomber* from the start; all the cases of dropped *b's* were typos or errors by journalists who didn't get the word.

But a more basic question arises: Why are there two *b's* in *bomb,* which is pronounced "bom"? The second *b* is silent; who needs it? Blame the Latin *bombus,* leading to *bombo,* "a humming noise," picked up in Spanish as *bomba de fuego,* "ball of wild fire," leading to the English *bomb,* probably related to *boom.* The first use in English — a 1588 description of war in China — was "many bomes of fire, full of olde iron," omitting the last *b,* and is remembered with great fondness at Newsweek.

Correct usage of a much-abused proverb first recorded in the 16th century has become evidence. In paragraph 185 of his 35,000-word "manifesto," published under duress by The Washington Post and The New York Times, the Unabomber wrote: "As for the negative consequences of eliminating industrial society — well, you can't eat your cake and have it too — to gain one thing you have to sacrifice another." In a letter discovered in suspect Theodore Kaczynski's mother's home — a letter that inexplicably found its way into the media — the same proverb appears in the same words, with the same lack of a comma before the "too."

In both instances, the having and the eating were in correct order. Many people err in saying, "You can't have your cake and eat it, too," because you can — first you have it, and then you eat it. The impossible is the other way around; to "eat your cake and have it" is the absurdity that makes the point. Both the Unabomber's creed and the Kaczynski letter had it right, which is more than can be said for half the quoters of the proverb.

□

Arabic is a language that has contributed many words to English, from *admiral* to *algebra, sofa* to *sugar.*

What about *fatwa?* Though not yet in most leading college-size dictionaries (Random House includes it), the word has been used frequently in connection with the call by the Ayatollah Khomeini of Iran in 1989 for the death of the novelist Salman Rushdie. According to Judith Miller, author of "God Has Ninety-Nine Names: Reporting From a Militant Middle East," *fatwa* means "an Islamic ruling," which can include, but is not limited to, "a death sentence."

New York Times Service

JETS: *Vigil on Airlines Is Slipping, U.S. Finds*

Continued from Page 1

ValuJet could be considered a prime example of a 'virtual' airline, relying heavily on contractors.

Sabretech is one of six companies that ValuJet hired to do heavy maintenance, and it has also contracted with more than a dozen other companies, including airlines, to work on its planes at various airports.

ValuJet's dispute with Sabretech centers on the oxygen generators, which are small chemical reactors that produce intense heat when activated.

As part of its closer scrutiny of ValuJet after the crash, the federal aviation agency said it would conduct new inspections of ValuJet's contractors.

The airline has suspended its contract with Sabretech, and ValuJet officials said they had improved their internal audit system for working with contractors.

OKINAWA: *U.S. Bases Appear to Be Doubtful Source of Riches*

Continued from Page 1

contend that by campaigning against the bases the local authorities are undermining a pillar of the local economy.

"Right now, Governor Ota is demanding the return of the bases, but I wish he would study economics first," said Seitatsu Arakaki, a former city council member who owns some of the land in the Sugar Loaf site. "If money stops coming in from the bases, the Okinawan economy cannot be sustained. When I think of my children and grandchildren, I think we should keep the bases here."

Mr. Arakaki's opinion is unusual, and Mr. Ota's campaign against the bases has been hugely popular throughout Okinawa. But some Okinawan business executives and people like Mr. Arakaki who own the land now used for bases — and thus enjoy excellent rental incomes — worry that they will be left with worthless land if the bases are abandoned.

"Currently, society is filled with cries of 'Return the bases!'" said Seizen Hanashiro, the leader of a group of landlords who own the ground under Futenma air base. "But I think we should calm down and look at the future more coolly."

The problem for Okinawa is that although sentiment is overwhelmingly against the bases, they contribute about $1.6 billion to the local economy each year, amounting to 5 percent of the economy and second only to tourism as a money-spinner. Moreover, Okinawa has virtually no manufacturing, and so it is not clear what would replace the economic role of the bases if they were removed.

"Frankly, the effort to develop manufacturing in Okinawa has totally failed," said Keiichoi Inamine, the chairman of the Ryuseki Corp., an oil company in Okinawa.

The Okinawan government's plans for the bases are lofty, with the Futenma air base becoming an "international center for cooperation and exchanges."

But officials acknowledge that this is possible only if the national government supplies the funds. By some estimates, the redevelopment of Futenma alone would cost $10 billion, and that is simply one of many bases that Okinawa wants back.

"Naturally, the government in Tokyo should pay for this because the national government has used these bases for the security of Japan for so many years," said Masaharu Miyagi, a senior Okinawa prefectural official.

Mr. Miyagi and other officials say that the central government is bound to provide funds and that these investments will themselves provide a huge economic stimulus to Okinawa in the coming years.

The problem is that Okinawa already relies on subsidies, with about a third of the economy dependent on money from the national government, twice the level of other prefectures. The Japanese government is trying to cut costs, and it is not clear that it will be sympathetic to proposals that it spend tens of billions of dollars on base renovation schemes.

ISRAEL: *Netanyahu Calls for 'Dialogue With All Our Neighbors'*

Continued from Page 1

"My friends, this battle is behind us," he said.

Mr. Netanyahu's speech dealt exclusively in generalities, and he offered few clues as to how he would proceed in negotiations with the Palestinians, which have recently entered their most sensitive phase.

In the coming weeks he will face a test when it comes to honoring Israel's treaty commitment to withdraw its troops from Palestinian cities on the West Bank.

The treaty was signed by Mr. Peres's slain predecessor, Yitzhak Rabin, and Mr. Peres has completed the withdrawals with the exception of Hebron, where 400 Jewish settlers live amid 100,000 or more Arabs.

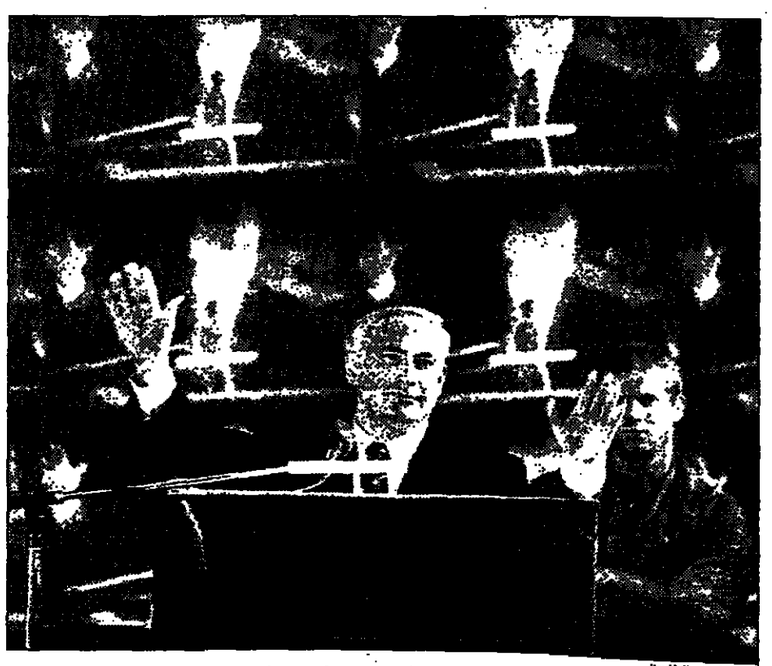
Mr. Peres deferred the move until after the election, and on Sunday his cabinet said it would leave the decision to Mr. Netanyahu, whose Likud Party backers strongly oppose the pullout.

"The matter will be transferred to the incoming administration to deal with," said a cabinet statement, emphasizing that the Israeli government has an "international commitment" to live up to the terms of the so-called Oslo agreement. As a result of the cabinet's decision, Mr. Netanyahu now faces a choice of breaking ranks with his party or violating a key provision of Israel's agreement with the Palestinians, a move that would anger both the Palestinians and international sponsors of the peace process, including the United States.

But Sunday night Mr. Netanyahu, 46, was clearly savoring his moment of triumph, displaying the same telegenic style that has earned him comparisons to American politicians, including President Bill Clinton.

"The state of Israel embarks today on a new road, a road of hope, a road of unity, a road of security, a road of peace," Mr. Netanyahu said as his image flickered on a giant video screen behind him. "And the first and most important peace that must be made is peace at home, peace among us and peace within us that is our most important mission."

Notwithstanding his message of unity, hard-nosed political bargaining is already underway on the shape of Mr. Netanyahu's new coalition government. His senior lieutenants began detailed talks with likely partners, including three parties of the religious right, which made large gains in separate parliamentary elections.



Jim Hollander/Reuters

Mr. Netanyahu, at victory rally, asking backers not to hiss at mention of Mr. Peres.

OTE
HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

Condensed Financial Statements
Prepared under International Accounting Standards
for fiscal years ended December 31, 1995 and 1994
(in millions of Greek Drachmae)

BALANCE SHEETS

Assets	1995	1994
Intangible Assets	14,289	0
Fixed Assets		
Property and equipment	1,317,441	1,182,987
Less-Depreciation	(491,443)	(421,520)
	825,998	761,467
Deferred tax asset	53,300	51,000
Other long-term assets	38,123	40,017
Current Assets		
Accounts receivable	147,590	112,526
Materials and supplies	8,328	8,396
Other current assets	37,798	24,577
	193,716	145,499
	1,125,426	997,983

Liabilities & Shareholder's Investment	1995	1994
Shareholder's investment		
Capital	298,488	298,488
Reserves and retained earnings	130,650	46,745
	429,138	345,233
Subsidies, net of amortization	108,615	108,316
Long-term debt	123,783	76,441
Reserves for staff retirement and other employee benefits	138,591	141,056
Other long-term liabilities	24,379	11,069
Current Liabilities		
Bank loans and overdrafts	99,726	112,225
Accounts payable	47,709	47,432
Income taxes payable	44,069	52,935
Dividends	43,860	45,425
Other current liabilities	65,556	57,851
	300,920	315,868
	1,125,426	997,983

STATEMENTS OF OPERATIONS

	1995	1994
Operating revenues	593,033	481,629
Operating expenses	(356,062)	(319,745)
	236,971	161,884
Financial, expenses, net	(16,596)	(17,458)
Extraordinary gain	0	7,000
Income taxes	(81,610)	(53,768)
Net profit	138,765	97,658

MOVEMENT IN SHAREHOLDER'S INVESTMENT

	1995	1994
Net profit for the year	138,765	97,658
Dividends	(54,860)	(45,425)
Opening shareholder's investment	345,233	293,000
Closing shareholder's investment	429,138	345,233

Note: OTE prepares and publishes financial statements in accordance with both Greek Statutory requirements and International Accounting Standards (IAS). The major differences between Statutory and IAS financial statements relate to the accounting of staff retirement and other employee benefits, subsidies and deferred income taxes.

The IAS financial statements for the fiscal years ended December 31, 1995 and 1994 have been audited by Independent public accountants, whose report thereon includes an exception, as a sufficiently detailed fixed asset register for telecommunication equipment and installations is not maintained. However, OTE is currently in the process of establishing such a register

The Chairman of the Board of Directors
D. Papoulias

The Managing Director
P. Lambrou

The Director General Finance
Ch. Kazantzis

The Director of Financial Services
I. Kartsonas

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

THE SHAREHOLDERS OF THE HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (REGISTRATION NUMBER 347/06/B/86/10) ARE HEREBY INVITED TO THE 44TH ORDINARY GENERAL ASSEMBLY (FISCAL YEAR 1/1/1995 - 31/12/1995)

Pursuant to the Law and the Company's Articles of Association and following Resolution N^{O} 2455 of the Board of Directors, taken on 21/5/1996, the Shareholders of the Hellenic Telecommunications Organization S.A. are hereby invited to the 44th Ordinary General Assembly, to be held on Thursday, 20/6/1996, at 12.00 hours, in the Athens Hilton Hotel (46, Vas. Sofias Avenue), to discuss and debate upon the following:

1. Presentation of the Management Report drafted by the Managing director and Audit Reports compiled by the Chartered Auditors and the Auditor of international repute, with respect to the annual financial statements of fiscal year 1995, including the financial statements compiled in accordance with the International Accounting Standards.
2. Approval of financial statements and reports for fiscal year 1995.
3. Approval of profit allocation.
4. Acquittal of the Board of Directors and Auditors from any redemption liability for the fiscal year 1995, pursuant to Codified Law 2190/1920.
5. Approval of remuneration paid to the members of the Board of Directors and determination of their remuneration's form.
6. Approval of remuneration paid to the Chairman of the Board and the Managing Director and determination of their remuneration.
7. Appointment of Chartered Auditors (two principal and two deputy auditors) and one auditor of international repute for fiscal year 1996, pursuant to the provisions of Law 2257/94 and determination of their fee.
8. Endorsement of Resolution N^{O} 2435/10.1.1996 of the Board of Directors, relating to the payment of interim dividend, amounting to twenty-five billion (25.000.000.000) GDR, in respect to the Greek state for fiscal year 1995.
9. Miscellaneous announcements.

In order to participate, in person or by proxy, in the said General Assembly Shareholders must, in conformance with the Law and the Company's Articles of Association deposit their share certificates with any bank in Greece or abroad; the Consignations and Loans Fund: or OTE's Treasury (99, Kifissias Ave. Maroussi), at least five (5) calendar days before the appointed date for the General assembly, namely by 14/6/1996. By the same deadline, Shareholders must also have deposited the Share Depository Receipts as well as the proxy forms with OTE's Share Registration Office, at 15, Stadiou Street, Athens.

By authorisation of the Board of Directors
D. Papoulias
Chairman
Athens, 21/5/1996

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

THE MINORITY SHAREHOLDERS OF THE HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. (REGISTRATION NUMBER 347/06/B/86/10) ARE HEREBY INVITED TO THE FIRST SPECIAL GENERAL ASSEMBLY

Pursuant to the Law and the Company's Articles of Association and following Resolution N^{O} 2455 of the Board of Directors, taken on 21/5/1996, the Shareholders of the Hellenic Telecommunications Organization S.A. are hereby invited to the 1st Special General Assembly, to be held on Thursday, 20/6/1996, at 15.00 hours, in the Athens Hilton Hotel (46, Vas, Sofias Avenue), to discuss and debate upon the following:

1. Election of a minority Shareholders representative and a deputy representative to the Board of Directors of OTE, pursuant to Article 11 of Law 2257/94, as modified by Article 2 of Law 2374/96.

In order to participate, in person or by proxy, in the said General Assembly Shareholders must, in conformance with the Law and the Company's Articles of Association, deposit their share certificates with any bank in Greece or abroad; the Consignations and Loans Fund: or OTE's Treasury (99, Kifissias Ave. Maroussi), at least (5) calendar days before the appointed date for the General Assembly, namely by 14/6/1996. By the same deadline, Shareholders must also have deposited the Share Depository Receipts as well as the proxy forms with OTE's Share Registration Office, at 15, Stadiou Street, Athens.

By authorisation of the Board of Directors

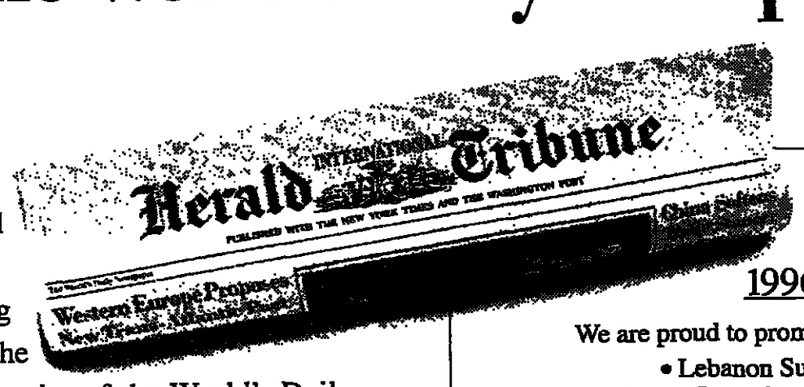
D. Papoulias
Chairman

Athens, 21/5/1996

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CYBERSCAPE

Metaverse: The Shape Of Things to Come?

By Victoria Shannon
Washington Post Service

WASHINGTON — Art imitating art imitating life — that's a useful if oblique way to describe the "metaverses" springing to life on on-line services and the Internet. These are alternately called 3-D chats and virtual chats. But the most in-the-know chat-o-philes call their new home-away-from-home a metaverse.

The traditional text-based chat 'rooms' come to graphical life.

It is a term that recalls the unreal digital space described in the cyber novels "Snow Crash" and "Neuromancer." That's the art that a metaverse mimics. But the novels, of course, were imitating life in the real universe to begin with.

In a metaverse, the traditional text-based chat "rooms" come to graphical life.

Special software allows the user to take on a shape and roam around in a cartoon world on the screen as an "avatar," the traditional name for the shape you take. Those images can include being a paunchy, middle-aged redheaded guy with a ponytail, an alien, a child, a pelican or others.

As you move the character with the mouse, the figure is doing the same thing on the computer screens in the homes of everyone else in the meta-environment. If you drop a key on the ground in front of a door, it is dropped on their screens, too, right in front of the door. If you type some dialogue, it appears on your screen and theirs.

There is much here that is reminiscent of the old text-based adventure-maze games. You know the ones: "You are standing at the bottom of a hill facing north. You are carrying a lantern. A bird sings in a tree."

But here, you actually see the tree — and hear the bird, for that matter, because sounds as well as movements are transmitted — and instead of typing "N" to go north, you can click your way around the world. The adventure part, not knowing what's on the next street or the next room, is the same.

But being in the metaverse requires a high-end personal computer to meet the software and hardware specifications. Also, just like the traditional text chats, three-dimensional chats can be addicting and thus costly if you try them from the commercial on-line services. If you have an unlimited-access Internet account, several virtual worlds would be safer on your

See CHAT, Page 13

French Warned of Sanctions

U.S. Senator Cites Total's Business With Iran

By Max Berley
Special to the Herald Tribune

PARIS — Total SA has received a letter from Senator Alfonse M. D'Amato, warning the French oil company that it was likely to be targeted for American sanctions if it went ahead with a planned investment in Iran.

Mr. D'Amato, the New York Republican, is sponsoring a bill that aims to discourage non-American companies from investing in Iran and Libya by imposing sanctions on them. The legislation, which has passed the Senate and is supported by President Bill Clinton, is expected to be enacted soon.

The bill calls for sanctions against foreign companies that invest more than $40 million per year in either of the two countries, and is intended to punish Iran and Libya for their sponsorship of terrorism.

In a letter dated March 14, obtained by the International Herald Tribune, Mr. D'Amato wrote to Total's executive vice president for the Middle East to warn of the possible consequences of investing in Iran.

"We in Congress view *any* business deal that provides Iran with the hard currency to develop its energy sector as a direct threat to U.S. national security," the letter said.

Total, which would be the main company concerned by the law, took over two Iranian fields at Sirri in July 1995 from Conoco, a subsidiary of Du Pont Co., after U.S. companies were prohibited from doing business with Iran and Libya. Total invested $600 million in the project but plans to reduce its exposure by bringing in new partners.

The company plans to begin production at the fields in 1998 and expects to yield 120,000 barrels a day within five years, said Régis Guegnaud, a spokesman for Total.

"Total's continuation of the Sirri Islands project is very distressing and is an insult to the memory of those killed in the recent terrorist attacks in Israel," Mr. D'Amato's letter said. "Please understand that there is growing support in Congress to add various provisions to this legislation, including ones that would make the bill retroactive, in order to cover deals such as Total's."

Total stated that it had a policy of not commenting on "political decisions," and would not say whether it had responded to Mr. D'Amato's letter.

Total also has a 30 percent stake in two oil fields in Libya worth $600 million. These were not explicitly mentioned in Mr. D'Amato's letter, but oil industry analysts say that if the law is made retroactive, they could also create trouble for Total.

Total's French competitor, Elf Aquitaine, does not currently have holdings in either country, but the pending U.S. legislation has led it to suspend talks with Iran about developing an oil field there, analysts and industry executives said.

"You would have to think twice about investing in either of those countries if those sanctions are passed," said an oil company executive, who declined to be identified.

The proposed legislation has raised official hackles outside the United Sates, as European government officials accuse Washington of violating international law by seeking to impose its national legislation on other countries — a practice denounced by the governments of France and Britain as "extraterritorial."

"These sanctions could cause grave damages to French companies," a source in the French government said, adding that France was "studying appropriate retaliation."

The pending legislation could also have serious implications for companies outside France. Hardest hit would probably be Italy's state-owned energy conglomerate, ENI, which currently produces almost one-fifth of Libya's oil and is contemplating a project to build a pipeline between Libya and Europe.

Australia's Broken Hill Pty, meanwhile, is said to be concerned over the future of a multibillion-dollar project to build a pipeline between Iran and Pakistan. Several German companies could also be affected by the sanctions as Germany has extensive trade relations with both Iran and Libya.

The outcry came only weeks after Mr. Clinton approved a law punishing foreign companies that traded with Cuba.

Foreign companies that are found to have violated the proposed law would face one or two of a battery of sanctions, which include:

- A ban on imports to the United States.
- A ban from loans of more than $10 million from U.S. credit markets.
- A ban on participation in U.S. procurement contracts.
- A ban of export licenses to products manufactured in the United States by the sanctioned companies.

Conflicting Signals On Interest Rates Pressure the Dollar

Bundesbank Holding Firm

By Carl Gewirtz
International Herald Tribune

PARIS — Assumptions about growth and the direction of interest rates in the United States and in Germany are being put to the test in the foreign-exchange market, where the dollar is losing luster.

The anticipated scissors effect of rising U.S. rates and declining German levels was widely expected to drive the dollar up. Instead, after briefly touching a 16-month high of 1.5485 Deutsche marks, the dollar ended last week at 1.5221 DM, a decline of 1.7 percent.

Market participants were disappointed that the Bundesbank let another policy-making meeting pass without lowering its key money-market rate, which is locked for another two weeks at 3.3 percent.

Traders said that the dollar's steep decline of 0.9 percent against the Deutsche mark on Friday occurred in thin trading, and they suggested that month-end book-squaring by professional traders was likely only a temporary drag.

Paul Chertkow at UBS in London warned that the dollar would remain "fragile" unless it recovered beyond 1.5395 DM.

The big uncertainty now is whether the Fed will soon need to raise U.S. rates.

The view at J. P. Morgan & Co. is that rates will rise half a percentage point by autumn. Salomon Brothers Inc. analysts said that the recent rise in market rates has done the job the Fed would have needed to do, and that without any sudden spurt in inflation, the central bank will keep administered rates unchanged. At the extreme, Philip Braverman at DKB Bank in New York expects the Fed to lower rates before year-end.

At the same time, with signs emerging that a recovery is beginning in Germany, doubts are building about whether the Bundesbank will need to lower its rates further.

The wild card in assessing how currency values move is the June 16 election in Russia. Mr. Chertkow warns that a victory by Gennadi A. Zyuganov, the Communist Party candidate, would not only undermine the ruble but likely also revive the dollar's role as a haven compared with the Deutsche mark.

■ Ruble to Trade Freely

Russia will allow the ruble, whose value has been strictly controlled since the 1920s, to trade freely on world markets, The Associated Press reported from Moscow.

The Central Bank announced Saturday it was lifting all remaining barriers to buying and selling rubles both inside and outside Russia, making it a fully convertible currency. The changes take effect immediately.

The announcement, which was expected, brings Russia fully into compliance with requirements set by the International Monetary Fund as a condition for loans and other economic assistance.

Russia has taken a series of steps to ease currency restrictions since it began to reform its economy in the late 1980s. In recent months, the value of the ruble has been relatively stable at around 5,000 to the dollar.

The Central Bank did not say whether foreigners would be permitted to repatriate profits from the purchase of Russian treasury bills, the last arena in which foreigners cannot freely convert profits from rubles into other currencies.

Fed Is Coy On Inflation

Compiled by Our Staff From Dispatches

SYDNEY — Alan Greenspan, chairman of the Federal Reserve Board, refused Sunday to tell other central bankers whether American interest rates would rise in the near future, although he indicated that inflation was not a problem, sources who heard him speak said.

U.S. stock and bond markets tumbled on Friday as concern grew that Fed policymakers would push up U.S. interest rates to combat inflation.

Mr. Greenspan, who was linked via video conference from the United States to the International Monetary Conference here, was asked whether the Fed was considering raising short-term interest rates.

Yoh Kurosawa, president of the Industrial Bank of Japan Ltd., said that despite being pressed on the issue, Mr. Greenspan's answer "was, as usual, very unclear." The U.S. central bank chief "used Greenspan language," which left delegates none the wiser about his intentions, Mr. Kurosawa said.

Mr. Kurosawa said Mr. Greenspan joked with central bank counterparts from around the world that if his answer had been understood, he would not have done his job.

Sources who attended Mr. Greenspan's briefing by video link to Washington said he indicated that growth was not so strong as to cause concern about inflation.

One source said he thought Mr. Greenspan sounded "rather sanguine" about inflation in his private talk to commercial and central bankers attending the conference, which has drawn about 160 delegates from more than 20 countries.

Also on Sunday, confident European central bankers painted a picture of steady economic growth, but a senior Japanese central banker expressed concern over the slow recovery of the Asian powerhouse.

The governor of the Bank of England, Eddie George, said British interest rates would remain relatively stable at least until 1998, after three credit easings since December.

"We have a relatively stable situation as far as monetary policy is concerned," he said, adding that Britain's economy would grow at 2 percent to 3 percent a year, in tandem with inflation.

"Domestic demand is beginning to pick up, and I see the British economy gradually accelerating through the rest of this year and into 1997," Mr. George said.

His counterpart at the Bank of France, Jean-Claude Trichet, sounded a cautious note on recent strong economic growth figures for France but said conditions were in place for fostering growth.

"We have been paving the best environment for growth and job creation," Mr. Trichet said.

The Bank of Japan's deputy governor of international relations, Akira Nagashima, said there was a "gradual recovery" in the Japanese economy last year, but he expressed concern about lingering weakness in the world's second-biggest economy.

"The central bank wants to ensure self-sustained recovery, led by the private sector," he said.

The Bundesbank president, Hans Tietmeyer, who also attended the meeting via video link, was not asked specifically about current economic conditions during the closed-door session and did not offer an opinion, the sources said. *(Bloomberg, Reuters, Knight-Ridder)*

Saudis Hold Key to KHD Rescue

Reuters

BONN — Creditor banks could reject a rescue package worth 750 million Deutsche marks ($490 million) for Klöckner-Humboldt-Deutz AG unless a group of Saudi Arabian companies agrees to participate in the bail-out, the plan's negotiators said over the weekend.

Anton Schneider, KHD's chairman, was in Saudi Arabia on Saturday to renegotiate contracts for cement plant orders that caused at least 650 million DM in losses and forced KHD to the edge of financial ruin.

"These contracts favor the Saudi business partners," a negotiatorsaid. "We have to be able now to calculate the risks associated with these contracts. If this is not successful, the rescue of KHD will not succeed. The Saudis must make a substantial contribution to the rescue package."

The weekly magazine Focus reported that penalties of around 300 million DM for late completion of the contracts were pending, bringing KHD's loss to 1 billion DM.

According to reports, the proposed rescue package for KHD includes financial aid from bank creditors, North Rhine-Westphalia state and the city of Cologne, and a 5 percent pay cut by the KHD work force.

Deutsche Bank, KHD's biggest shareholder, would provide a short-term credit of 550 million DM, the daily Die Welt paper said.

A negotiator said Deutsche Bank's permanent contribution would be limited to a cash injection of 250 million DM. The remaining credit of 300 million DM would have to be supplied by about 40 KHD creditor banks.

North Rhine-Westphalia state and Cologne city would buy property from KHD for 100 million DM. The state would also provide loan guarantees. KHD employees would have to take a pay cut.

Die Welt said KHD would sell its Wedag unit. But the weekly Der Spiegel said KHD would be split into independent businesses. Its motor activities would be concentrated in Deutz AG and plant construction in Wedag AG.

KHD said last week its existence was threatened after discovering that leading executives of its Humboldt Wedag AG unit covered up losses from three cement plant orders in Saudi Arabia.

After the 1991 Gulf War, the Saudi cement industry embarked on an expansion course, and KHD's Wedag unit won a number of big orders for cement plants.

Competition for the contracts was fierce and sources said KHD sharply underbid its rivals and agreed to extra conditions that were loaded with risk, such as agreeing to build roads and pay high penalties for late delivery of the plants.

French Investors Get More AGF Shares

Reuters

PARIS — France has rewarded small investors for leaping into the privatization of one its leading insurers, Assurances Générales de France, after the sell-off was oversubscribed.

Finance Minister Jean Arthuis, calling last week's share offer a "very great success," said Saturday the number of AGF shares set aside for French retail investors was being increased by 10 percent, to 18.7 million shares, worth 2.4 billion francs ($462 million).

He said these investors had sought more than three times the 17 million shares they were originally offered in AGF, France's fourth largest insurer and the eighth biggest in Europe.

Prime Minister Alain Juppé's conservative government expects to reap 9 billion francs from the sale of its 57 percent stake in AGF.

The sale, the first large French privatization of 1996, goes nearly a quarter of the way toward Mr. Juppé's target of raising 40 billion francs from state sell-offs this year.

"This success reinforces the government's determination to pursue its privatization program," Mr. Arthuis said.

The extra shares for retail buyers were being drawn from the allocation for institutional and foreign investors, which was nearly six times oversubscribed, Mr. Arthuis said.

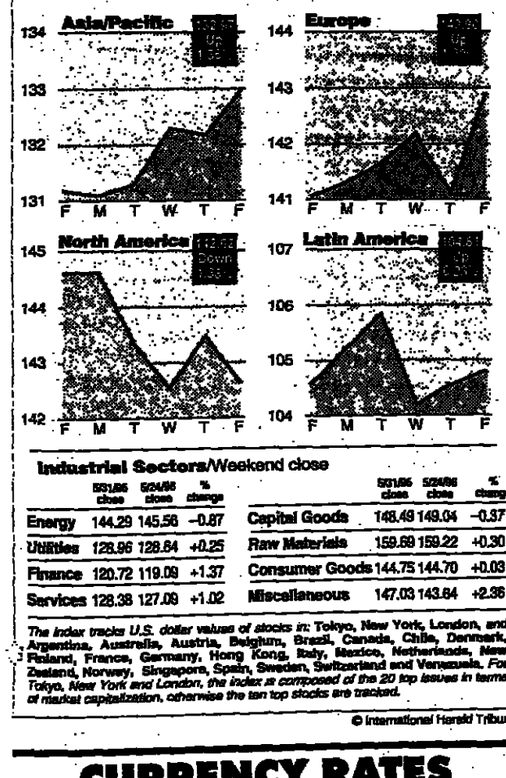
A total of 48.6 million shares was placed to institutions and foreign investors at 136 francs a share, he said.

AGF was earmarked for privatization for several years, but its sale had been postponed because of worries about its financial health. In March, it reported a rise in profit. AGF has said it aims to more than double net profit to 2.5 billion francs by 2000.

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending May 31, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	5/31/96 close	5/24/96 close	% change		5/31/96 close	5/24/96 close	% change
Energy	144.29	145.56	−0.87	Capital Goods	148.49	149.04	−0.37
Utilities	128.96	128.64	+0.25	Raw Materials	159.89	159.22	+0.30
Finance	120.72	119.09	+1.37	Consumer Goods	144.75	144.70	+0.03
Services	128.38	127.09	+1.02	Miscellaneous	147.03	143.64	+2.36

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

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CURRENCY RATES

Cross Rates May 31

	$	£	DM	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.771	2.4495	1.1192	0.3306	0.1106*	—	5.445*	1.3405	1.5815*	1.1725	1.3285*
Brussels	31.535	43.565	19.9235	5.8875	1.9685*	18.3665	—	25.028	0.29	22.9805	24.575*
Frankfort	1.5049	2.0605	—	0.2954	0.9884*	0.8954	4.8455*	1.2577	1.4157*	1.1176	1.1895*
London (a)	1.5522	—	2.3585	7.9845	2.2845*	2.4444	48.474	1.9339	167.32	2.2228	198.72
Madrid	129.854	198.697	84.093	24.838	8.311*	78.345	4.0915	103.48	119.859*	94.855	—
Milan	1,559.00	2,383.64	1,009.35	298.20	—	940.64	48.868	1,230.70	14.386	1,139.15	12.805
New York (b)	—	1.5512*	1.8971	5.1835	1.544.00	1.7045	51.30	1.2487	108.05	1.3888	128.28
Paris	5.1947	8.00	3.3857	—	0.3335*	3.0255	8.1647	4.1228	4.7958*	3.7868	4.035*
Tokyo	107.85	165.47	70.25	20.79	6.456	62.71	3.4184	85.65	—	78.72	0.8342
Toronto	1.3698*	2.1223	0.899	0.2656	0.0887*	0.83	0.4373*	1.1086	1.3668*	—	1.057*
Zurich	1.3545	1.9295	0.8399	0.2421	0.08*	0.7322	3.9078*	—	1.1585*	0.9156	0.9728*
1 ECU	1.2484	0.8705	1.9154	6.4845	1.9334.42	2.1434	39.3668	1.5229	135.284	1.7125	14.8967
1 SDR	1.4464	0.942	2.2316	7.4839	2.248.51	2.4731	45.585	1.8134	156.432	1.9789	166.43

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich, fixings in other centers:
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	241.93	Mex. peso	7.397	S. Afr. rand	4.3575
Australian $	1.2522	Hong Kong $	7.7375	N. Zealand $	1.4734	S. Kor. won	787.80
Austrian sch.	10.773	Hung. forint	152.35	Norw. krone	6.5448	Swed. krona	6.7407
Brazil real	1.015	Indian rupee	34.94	Pak. peso	26.19	Taiwan $	27.67
Chinese yuan	8.3463	Indo. rupiah	2301.75	Polish zloty	2.71	Thai baht	25.32
Czech koruna	27.87	Irish £	0.6327	Port. escudo	157.53	Turkish lira	77965.5
Danish krone	5.9121	Israeli shek.	3.306	Russ ruble	5020.5	UAE dirham	3.671
Egypt. pound	3.3945	Kuw dinar	0.2995	Saudi riyal	3.75	Venez. bolív.	470.00
Fin. markka	4.724	Malay. ring.	2.50	Sing. $	1.4105		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5397	1.5389	1.5383	Japanese yen	107.76	107.30	106.85
Canadian dollar	1.3703	1.3694	1.3686	Swiss franc	1.2542	1.2501	1.2471
Deutsche mark	1.5287	1.5259	1.5231				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Monaco Notebook

Monaco Thinks Big With International Telecom Service

International Herald Tribune

Monaco is encircled by France, but its phone system is stepping out. On June 21, the principality will get its own country code, 377, and it has plans to get into the international telecommunications business in a way that belies its status as the smallest sovereign state in Europe at about 1.9 square kilometers (465 acres) of real estate.

Although it is now part of France Telecom's network, Monaco has its own phone company, the Office Monégasque des Téléphones, which is a state agency. It therefore is part of the European phone cartel, whose members have access to international satellite and cable links at prices far below what consumers pay for calls.

As a result of deregulation, the cartel's days are numbered, the office's director, Antoine Veran, said, but while it remains, Monaco can use it to establish a beachhead in the international communications industry. It has teamed up with Global TeleSystems Group Inc., a privately held American company in which the peripatetic investor George Soros owns a stake, to form GTS Monaco Access. The venture plans to operate as a "carrier's carrier," offering services targeted at new phone companies, Internet providers and poor countries with limited international access.

These kinds of services are typically purchased from the state or recently privatized carriers in various countries, but that means that new phone companies are essentially buying from their established competitors. GTS Monaco, Mr. Veran said, would be nonaligned.

Global TeleSystems, however, already operates telecom service companies in Russia, Hungary, the Czech Republic, China and India, and it is a partner in Hermes Europe Railtel, a venture with 11 railroads that is building a fiber-optic network along their rights of way.

A British report said GTS Monaco would price its services at about 20 percent below current market rates, but Mr. Veran said the charges had not yet been decided.

From Phones to FNAC

Not only is Monaco scheduled to get its own area code on June 21, but also its own branch of FNAC, the French electronics and entertainment retailer.

If the store opens on time, it will be a long day for Stéphane Valéri, one of the 18 legislators on the National Council. Mr. Valéri is waging a quixotic campaign against the idea.

It is not that he does not like the chain, but, he said, he fears its effects on smaller, Monégasque retailers. The crux of the issue, he said, was that the new store would merely cannibalize existing shoppers from local competitors.

Mr. Valéri also said FNAC's rent would be as little as one-tenth of what other stores are paying per square meter, making it difficult for local merchants to compete, especially as Monaco's economy has been weak.

Citing a study for the Carrefour retail chain, Mr. Valéri said the Monaco shopping zone contained 60,000 to 70,000 potential customers — the principality's population is about 32,000 — while a store of its size, about 1,600 square meters (17,800 square feet) of selling space, would require at least 100,000. But Didier Roussarie, director of the new store, said the market, which he reckoned as stretching from Nice to the Italian border, was more than 100,000 people, and perhaps 150,000. "After June 21, we will see who is right," he added.

In Europe, Size Is Not an Issue

If there is one country in Europe that is dwarfed by 60.5-square-kilometer San Marino, it is Monaco. Yet San Marino is one of the few nations that maintains a consulate in Monaco. Why?

"Why not?" responded the consul, Marie-Claude Bunford. It is not that the two countries have a large trade relationship or massive tourist exchanges, just that statelets like to stick together.

"In Europe, we do not measure importance by size or population," said Ms. Bunford, who refers to San Marino as "the first republic of Europe," which, based on its founding around the year 350, is widely accepted as historically accurate.

The consul, whose position is honorary and unpaid, said Monaco and San Marino consider themselves part of a group of small but not unimportant countries that also includes Liechtenstein, Cyprus, Malta and even the relatively hulking Luxembourg.

Mitchell Martin

CAPITAL MARKETS ON MONDAY

Money Movements Threaten Outlook for Small European Markets

By Carl Gewirtz
International Herald Tribune

PARIS — The continued outperformance of the peripheral European bond markets is beginning to raise the question of how much room there is for further improvement.

Although Italy's performance in May was relatively muted compared with earlier months this year, it remained the best-performing bond market in Europe as measured by the J. P. Morgan Government Bond Index. For the first five months of the year, Italy posted a total return in local currency of 9.4 percent. This was followed by Spain, with a 6.7 percent return so far this year, and Sweden with 4.6 percent.

The major markets, by contrast, fared less well. In the United States, the return declined 2.6 percent, and Japan and Germany eked out gains of less than 1 percent.

There have been two elements to the rally in the peripheral European markets, which is driven by so-called "hot" money seeking maximum return.

One is a conviction that the European Union will form a monetary union by the end of the decade and that even countries not immediately eligible for membership will follow orthodox policies that will make them eligible.

This policy convergence translates into lower economic and financial risk and, in turn, means that investors will be willing to accept less of a premium relative to the benchmark German interest rates.

So far this year the spread, or difference, between yields on Italian bonds and German 10-year government paper has dropped to 315 basis points from 472 basis points in January. In Spain, the spread has dropped to 269 basis points from 360, and in Sweden it has fallen to 194 from 229.

The second element is the exchange rate. If, as has often been the case, Italian bond purchases had been made by borrowing Deutsche marks, the 9.4 percent gain would have widened to 19.6 percent, the Morgan report showed. The comparable gain in Sweden would have been 9.9 percent, and in Spain, 7.2 percent.

Did these currencies gain against the Deutsche mark because the hot money was moving into the bond markets, or was money moving out of the Deutsche mark because of disillusionment with Germany? There is no obvious answer, other than to note that the German currency this year is down almost across the board, with the exception of South Africa, Switzerland, Finland and Belgium.

But with the Bundesbank stating that the mark's decline in Europe has run its course and with industrialists in Italy and Britain beginning to complain that their currency appreciations are impeding competitiveness, there is some doubt as to whether the mark can sink any further.

Investors in the peripheral European markets have good reason to remain there because for the moment they are earning higher current income than is available elsewhere.

But what nags analysts is the worry about what happens when — and if — these relatively thin bond and currency markets are hit by sales as the hot money decides to move out at the same time.

"While our economic views still support" investments in the European high-yielding bonds and currencies, "the massive move into some of these trades by the investment community has greatly raised the risk of profit-taking," said Jan Loeys, a Morgan analyst.

He advised "lowering overall risk and shifting exposures away from positions that are most vulnerable to profit-taking" by reducing positions and focusing on shorter-term paper.

Michael Dell, an analyst at UBS, also advised caution, noting that "the European spread markets are becoming increasingly dependent on fundamental domestic influences to drive outperformance rather than cyclical factors related to rallying core markets or favorable currency conditions."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending May 31. Prices supplied by Telekurs.

Australian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
226	Ontario	5	11/09/98	90.9483	5.5000
240	Portugal	8	01/17/00	99.0700	8.0800

Belgian Franc

Rnk	Name	Cpn	Maturity	Price	Yield
202	Belgium	9¼	08/29/97	107.0500	8.6400
205	Belgium	6⅛	05/25/97	103.3200	6.5300
250	Belgium Tbills	zero	08/22/96	98.6806	5.8700

British Pound

Rnk	Name	Cpn	Maturity	Price	Yield
212	Vodafone Gp	7⅞	11/06/01	98.5000	7.9900

Canadian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
185	Canada	5¾	03/01/99	98.2500	5.8500
217	Manitoba	7	09/01/99	100.5000	6.9700

Danish Krone

Rnk	Name	Cpn	Maturity	Price	Yield
9	Denmark	8	03/15/06	103.7600	7.7100
22	Denmark	7	12/15/04	98.9500	7.0700
30	Denmark	9	11/15/00	111.0000	8.1100
31	Denmark	9	11/15/98	108.8200	8.2700
49	Denmark	8	05/15/03	105.9000	7.5500
55	Denmark	8	11/15/01	106.8000	7.4900
61	Denmark	7	02/15/98	103.9000	6.7400
63	Denmark	7	08/15/97	102.9500	6.8000
72	Denmark	7	11/10/24	85.7500	8.1600
92	Denmark	9	11/15/96	102.0700	8.8200
111	Denmark T-bills	zero	07/01/96	99.6738	3.6800
116	Denmark	6	12/10/99	101.4600	5.9100
150	Denmark	7	11/15/07	95.8700	7.3000
165	Nykredit	6	10/01/26	81.2000	7.3900
168	Denmark	6¼	02/10/97	101.3900	6.1600
189	Denmark T-bills	zero	10/01/96	98.7316	3.8000

Deutsche Mark

Rnk	Name	Cpn	Maturity	Price	Yield
1	Germany	5¾	08/22/00	102.6667	5.6000
2	Germany	5⅛	11/21/00	100.0260	5.1200
3	Germany	6	02/16/06	96.7186	6.2000
4	Germany	5¼	02/21/01	100.2980	5.2300
5	Germany	6¼	04/26/06	98.4340	6.3500
6	Germany	6⅞	05/12/05	103.1540	6.6600
7	Germany	6	01/05/06	96.8350	6.2000
8	Germany	8	01/21/02	111.1300	7.2000
10	Germany	6½	10/14/05	100.4500	6.4700
11	Germany	5⅞	05/15/00	103.3000	5.6900
12	Germany	8¾	08/20/01	115.1500	7.6000
13	Germany	7⅜	01/03/05	106.5300	6.9200
14	Treuhand	7½	09/09/04	107.3850	6.9800
16	Treuhand	6⅝	07/09/03	102.9667	6.4300
17	Treuhand	6⅞	06/11/03	104.4700	6.5800
19	Germany	6½	03/15/00	105.5800	6.1600
20	Treuhand	6¾	05/13/04	102.9800	6.5500
21	Germany	8¼	02/20/01	113.1829	7.5100
24	Treuhand	7⅛	01/29/03	106.2367	6.7100
25	Germany	8¼	09/20/01	112½	7.3300
26	Germany	6¼	01/04/24	88.3700	7.0700
27	Germany	7½	11/11/04	107.4900	6.9800
28	Germany	8	07/22/02	111¼	7.1900
29	Treuhand	6½	04/23/03	102.5150	6.3400
32	Germany	8	03/20/97	103.6400	7.7200
33	Germany	6⅞	05/20/98	104.6367	6.0900
35	Germany	8⅞	05/21/01	113.0357	7.4100
36	Germany	5¼	11/20/97	102.2860	5.1300
38	Germany	7	01/13/00	107.3233	6.5200
39	Germany	6½	07/15/03	102.3700	6.3500
40	Treuhand	7¾	10/01/02	109.7400	7.0600
41	Treuhand	6⅛	07/01/99	105.2300	6.0600
42	Treuhand	7⅜	12/02/02	107.6800	6.8500
43	Treuhand	6¼	03/04/04	100.2350	6.2400
44	Germany	6⅝	01/20/98	104.4600	6.3400
46	Germany	7¼	12/20/02	106.4200	6.7000
48	Germany	8⅞	12/20/00	114.5150	7.7500
50	Germany	6¾	04/22/03	104.0367	6.4900
51	Treuhand	7	11/25/99	107.4567	6.5100
52	Germany	6	09/15/03	99.8300	6.0100
53	Germany	6	02/20/98	103.6150	5.7900
54	Germany	9	10/20/00	114.6400	7.8500
57	Treuhand	6⅛	03/26/98	103.9750	5.8900
58	Germany	8¼	07/21/97	105.2667	7.8400
59	Germany	9	01/22/01	115.1400	7.8200
60	Treuhand	5⅝	09/24/98	103.3233	5.4400
68	Germany	8¾	07/20/00	113.4100	7.7200
70	Germany	7	12/22/97	104.8900	6.6700
71	Germany	6¾	07/15/04	103.0125	6.5500
74	Germany	8½	08/21/00	112.6300	7.5500
75	Germany	5¾	08/20/98	103.6550	5.5500
77	Germany	7¼	10/20/97	104.8000	6.9200
78	Germany	8	09/22/97	105.5700	7.5800
81	Germany	6⅞	02/24/99	106.3940	6.4600
83	Treuhand	5¾	04/29/99	103.6500	5.5500
84	Treuhand	6⅛	06/25/98	104.2100	5.8800
85	Treuhand	6⅞	07/29/99	104.9100	5.9600
87	Germany	6	06/20/16	88.5500	6.7800
90	Germany	5¾	08/20/97	102.6700	5.6000
93	Treuhand	5	01/14/99	101.9200	4.9100
94	Germany	3.105	09/30/04	99.0250	3.0747
104	Germany	5¾	05/28/99	103.6100	5.5500
107	EIB	6	10/22/03	99.6914	6.0200
108	Germany	7¼	10/21/02	107.3980	6.7500
109	Germany	5¾	02/22/99	102.9517	5.2200
113	Treuhand	6	11/12/03	99.3160	6.0400
114	Germany	7½	10/20/97	105.1450	7.1300
118	Germany	8¾	05/22/00	113.2900	7.7200
119	Germany	6¾	09/15/99	106.6000	6.3300
121	Treuhand	5	12/17/98	101.9100	4.9100
123	Germany	5¼	02/25/98	102.4071	5.1300
127	Germany	6⅜	08/14/98	104.9033	6.0800
133	Germany	5¼	10/20/98	102.7200	5.1100
135	Germany	6¼	02/20/98	103.9400	6.0100
137	Germany	8⅜	01/20/97	103.1100	8.1200
144	Germany	6⅜	05/20/97	102.8400	6.2000
149	Germany	6⅞	12/02/98	106.2700	6.4700
153	Deut Bundbahn	6⅛	10/28/03	99.6414	6.1500
154	SNCF	5¼	05/29/01	98.9385	5.3100
157	World Bank	7⅛	04/12/05	104.2500	6.8300
167	Germany	6⅛	05/20/99	104.7975	5.8400
170	Credit Foncier	7¼	02/24/03	102.4800	7.0700
180	Germany	7⅛	11/21/96	101.7500	7.0000
182	Germany	6⅜	08/20/97	103.3367	6.1700
192	Germany	7¼	02/21/00	109.6300	7.0700
193	Germany	6⅛	01/20/98	104.0100	6.1300
204	EIB	4⅝	02/22/01	97.8000	4.7300
209	Sweden	6	09/12/00	102.8300	5.8300
214	Britain	7⅛	10/28/97	104.5200	6.8200
215	Germany	8½	08/20/96	101.0800	8.4100
220	Germany	7¼	01/20/00	108.0000	6.7100
222	Austria	7¼	05/03/07	104.7500	6.9200
227	Depfa	5¼	12/20/00	99.8200	5.2600
237	Spain	7¼	03/04/03	105.7700	6.8500
245	Germany	6½	02/20/97	102.2100	6.3600
246	Ontario	5	02/15/01	97.7000	5.1200
247	IMI Bank Intl	3.454	02/09/01	100.0000	3.4500
248	Deut Ausgleichs	5¾	05/29/02	100.3500	5.7300

Dutch Guilder

Rnk	Name	Cpn	Maturity	Price	Yield
15	Netherlands	6¼	07/15/98	104.8500	5.9600
47	Netherlands	6	01/15/06	97.4500	6.1600
80	Netherlands	9	05/15/00	114.6300	7.8500
82	Netherlands	9	01/15/01	115.45	7.8000
86	Netherlands	7	03/15/99	107.0500	6.5400
89	Netherlands	6¾	02/15/99	106.3300	6.3500
91	Netherlands	6½	04/15/03	103.4500	6.2800
96	Netherlands	6¾	11/15/05	102.7500	6.5700
100	Netherlands	7½	01/15/23	105.7500	7.0900
106	Netherlands	7	06/15/05	104.7000	6.6900
110	Netherlands	5¾	01/15/04	97.8500	5.8800
128	Netherlands	7½	06/15/99	108.6500	6.9000
136	Netherlands	8¼	06/15/02	113.1500	7.2900
140	Netherlands	8¾	09/15/01	115¼	7.5900
141	Netherlands	7	05/15/99	107.1500	6.5300
146	Netherlands	7¾	03/01/05	109.7500	7.0600
158	Netherlands	8¼	02/15/00	111.6000	7.3900
159	Netherlands	7¼	10/01/04	106.7500	6.7900
175	Netherlands	7½	11/15/99	109.0000	6.8800
176	Netherlands	6½	07/15/98	105.3300	6.1700
179	Netherlands	8½	03/15/01	113½	7.4900
183	Netherlands	9¼	11/30/00	116.40	7.9500
188	Netherlands	7½	04/15/10	107.5500	6.9700
190	Netherlands	7¾	01/15/00	109.8300	7.0600
196	Netherlands	7	02/15/03	106.3000	6.5900
206	Netherlands	8¼	02/15/07	113¼	7.2800
225	Netherlands	8¼	09/15/07	113.3500	7.2800
239	NBC	zero	08/30/96	98.7485	5.0700

ECU

Rnk	Name	Cpn	Maturity	Price	Yield
45	France OAT	7	04/25/06	99.5000	7.0400
56	France OAT	7½	04/25/05	103.5000	7.2500
69	France BTAN	5	03/16/99	99.3700	5.0300
95	France B.T.A.N.	6	03/16/01	100.1700	5.9900
102	France OAT	8¼	04/25/22	106.0000	7.7800
122	France BTAN	7¼	03/16/98	104.0400	6.9700
126	France OAT	9½	04/25/00	112.4600	8.4500
132	France OAT	6	04/25/04	96.0000	6.2500
143	UK T-note	8	01/27/98	104.8750	7.6300
145	France OAT	6¾	04/25/02	102.4300	6.5900
147	Britain	9⅛	02/21/01	111⅛	8.1600
148	UK T-note	5	01/26/99	99.2500	5.0400
173	France BTAN	7½	03/16/97	102.2900	7.3300
195	UK T-note	5¼	01/21/97	100.3750	5.2300
199	UK Tbills	zero	11/14/96	98.1341	4.1300
201	France OAT	8	04/25/03	107.3383	7.4500
223	France OAT	10	02/26/01	116	8.6200
228	France OAT	8½	03/15/02	109.4600	7.7700

French Franc

Rnk	Name	Cpn	Maturity	Price	Yield
97	France OAT	8¼	02/27/04	112.20	7.3500
115	France OAT	6¾	10/25/04	102.6200	6.5800
129	France OAT	6¾	10/25/03	103.3000	6.5300
138	France OAT	8½	11/25/02	113.3800	7.5000
160	France OAT	5½	04/25/04	95.1700	5.7800
164	France OAT	7¾	10/25/05	108.8100	7.1200
177	France OAT	7¼	04/25/06	105.4400	6.8800
194	France OAT	8½	04/25/03	113.40	7.5000
200	France OAT	8⅛	05/25/99	108.7400	7.4700
210	France OAT	7½	04/25/05	107.1400	7.0000

Finnish Markka

Rnk	Name	Cpn	Maturity	Price	Yield
229	Finland	9½	03/15/04	112.9784	8.4100

Hong Kong Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
67	ML call Standa		11/07/96	134.0000	-

Italian Lira

Rnk	Name	Cpn	Maturity	Price	Yield
208	Deutsche Fin	zero	05/23/01	65.5000	8.8600
230	Italy	9½	02/01/01	102.9200	9.2300

Japanese Yen

Rnk	Name	Cpn	Maturity	Price	Yield
184	Italy	3.80	03/27/08	98.4369	3.8600
213	World Bank	4½	03/20/03	110	4.0900
218	TB Fin	zero	10/01/04	103.2500	0.3800
219	World Bank	4¾	12/20/04	112¼	4.2300
242	Italy	3¾	06/08/05	102.5000	3.6600

Spanish Peseta

Rnk	Name	Cpn	Maturity	Price	Yield
134	Spain	10.10	02/28/01	106.4340	9.4900
163	Spain	12¼	03/25/00	112.7710	10.8600
169	Spain	7.40	07/30/99	98.4810	7.5100
174	Spain	9.40	04/30/99	103.6220	9.0700
233	Spain	10.15	01/31/06	106.6250	9.5200
236	Spain	10	02/28/05	105.8400	9.4500

Swedish Krona

Rnk	Name	Cpn	Maturity	Price	Yield
76	Sweden	11	01/21/99	109.7676	10.0200
99	Sweden	6	02/09/05	85.8065	6.9900
152	Sweden 1036	10¼	05/05/00	110.0253	9.3200
191	Sweden	10¼	05/05/03	111.4763	9.1900
244	Sweden	13	06/15/01	123.4261	10.5300

U.S. Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
18	Brazil Cap S.L.	4½	04/15/14	64.0028	7.0300
23	Argentina FRN	6 5/16	03/29/05	77.8750	8.1100
34	World Bank	6¾	05/24/01	98.8750	6.4500
37	Brazil L	6½	04/15/06	77.3800	8.4000
62	Brazil par Z!	5	04/15/24	53.4935	9.3500
64	Argentina par L	5¼	03/31/23	54.6200	9.6100
65	Venezuela par A	6¾	03/31/20	60.1200	11.2300
66	TMCC	6½	05/29/01	98.5000	6.6000
73	Brazil 930.0	6⅝	01/01/01	92.1200	6.9200
79	Venezuela	6 13/16	12/18/07	68.2500	9.6200
88	Mexico par B	6¼	12/31/19	64.5000	9.6900
98	Brazil S.L.	6 13/16	04/15/12	65.3800	10.0400
101	Mexico par A	6¼	12/31/19	64.5000	9.6900
103	Sweden	4½	03/24/99	94.8750	4.7400
105	Abbey Natl TS	6⅜	05/23/01	98.5000	6.7300
112	Unilever	6⅝	05/29/01	99.7500	6.6400
117	Brazil S.ZI	6½	04/15/24	68.2500	9.5200
120	Bulgaria	6¼	07/28/11	46.6931	13.3900
124	Ecuador par	3¼	02/28/25	35.6200	9.1200
125	Canada	6¾	07/21/05	94.7500	6.7300
130	Bulgaria	2	07/28/12	31.1730	6.4200
131	Venezuela	6½	03/31/07	69.7500	9.3200
139	Bulgaria	6¼	07/28/24	50.7500	12.3200
142	Venezuela par B	6¾	03/31/20	60.1200	11.2300
151	Mexico	11½	05/15/26	93.5000	12.3000
155	Italy	6⅝	09/27/23	88.7500	7.7500
156	Ecuador	3	02/28/15	44.5030	6.7400
161	World Bank	8⅛	03/01/01	106.0000	7.6700
162	Ecuador	6 5/16	02/28/25	56.2348	10.7800
166	Venezuela S.A	6⅜	03/18/07	69.6000	9.1600
171	Brazil L	4½	04/15/09	57.7416	7.7900
172	Argentina	5.445	04/01/01	111.8000	6.0879
178	Mexico A	6.399	12/31/19	78.5000	8.1500
181	World Bank	6⅛	07/21/05	95.6250	6.6700
186	Argentina L	6 7/16	03/31/23	69.4400	9.2700
187	Mexico		11/27/96	116.1765	-
197	Canada	6½	05/30/00	99.6250	6.5200
198	Ontario	6	02/21/06	90.8750	6.6000
203	Mexico D	6.453	12/28/19	78.5000	5.0657
207	Poland	3¾	10/27/14	75.8718	4.9400
211	World Bank	7⅛	01/19/23	102.1250	7.4700
216	Nigeria	6¼	11/15/20	52.2500	11.9600
221	World Bank	7⅛	09/27/99	101.8750	6.9900
224	Bco Com Ext.	7¼	02/02/04	80.7500	8.9800
231	Stadshypotek	5½	05/15/98	99.8000	5.5100
232	Mexico B	6.391	12/31/19	78.5000	8.1400
234	Credit Foncier	8	02/23/98	101.2500	7.9000
235	Sweden	zero	09/19/96	97.7056	7.7900
238	Societe Generale	5.877	11/08/05	99.5500	5.9000
241	KFW Intl Fin	7½	04/21/05	101.5000	7.3900
243	Brazil Cbond S.L.	4½	04/15/14	59.7500	7.5300
249	Poland	6 7/16	10/27/24	92.2500	6.9800

Traders Brace for New Highs in Bond Yields

Compiled by Our Staff From Dispatches

NEW YORK — Declines in U.S. bond prices last week to the lowest levels in a month may have set the stage for the highest yields in a year, traders said.

Treasury prices finished a tough, abbreviated week on a bearish note, with talk of mutual fund sales combining with comments by Federal Reserve Board policymakers to knock prices lower.

The benchmark 30-year Treasury bond finished Friday at 87 23/32, down 20/32, lifting the yield to 6.99 percent,

U.S. CREDIT MARKETS

up 16 basis points from last week. Many in the market now say it is only a matter of time before that level, which had been a ceiling on yields, becomes a floor.

"The economy continues to be stronger than the expectations that had been built in," said Vic Thompson, of State Street Global Advisors in Boston. "Bond yields could get to 7.50 percent in the summer months."

Even some of the biggest bond bulls were stunned by the week's mix of stronger-than-expected economic reports and comments by Fed officials warning that the economy's growth might soon need to be reined in. Both point toward higher interest rates.

"I was a skeptic about higher rates, but the weight of evidence this week was overwhelming," said Steven Saslow, head of government bond trading at HSBC Securities Inc. "It was enough to convince me that the economy isn't weakening."

The government said sales of new homes in April surged 6.7 percent to an annual rate of 776,000, more than the 698,000 that economists expected.

The Purchasing Management Association of Chicago said Friday its regional business index climbed to 53.0 from 52.0 in April.

Bond trading was unsettled after a former Federal Reserve governor, Lyle Gramley, said the Fed would raise interest rates by 50 basis points in July.

Michael Moskow, president of the Federal Reserve Bank of Chicago, said the economy could grow only 2 percent to 2.25 percent without sparking inflation.

"I think what they're trying to tell us is that if the economy doesn't slow down, the Fed is ready to act," a trader said. "It seems to me they're trying to give us a warning signal."

Rumors that Fidelity Investments's mammoth Magellan Fund had sold $700 million in U.S. Treasury bonds on Friday through a major Wall Street brokerage firm added to the market's jitters, as did reports of that Magellan had sold some $2 billion of 10-year Treasury notes before the departure Monday of Jeffrey M. Vinik, the fund's manager.

Mr. Vinik would not comment on the rumors, and a Fidelity spokeswoman, Robyn Tice, said: "As a matter of policy, we never comment on portfolio holdings in the short term."

Among economic reports this week, traders and investors said Monday's report on manufacturing by the National Association of Purchasing Management and Friday's tally of May job growth would take center stage.

The reports could aggravate concern that inflation, which lessens the value of bonds' interest and principal payments, is about to climb above 3 percent. It has hovered below that level since 1992.

Traders will also be paying close attention to remarks Sunday by Alan Greenspan, the Federal Reserve Board chairman at the International Monetary Fund's annual conference in Sydney to see whether he takes up the theme.

"The Fed guys can have their own opinions, but if Greenspan ever uses the word tighten, watch out," a trader said.

(Knight-Ridder, Bloomberg, Reuters)

■ Apple Debt Is Downgraded

A downgrade of Apple Computer Inc. debt came too late for market reaction on Friday, but dealers said losses of one to four points are likely when traders return on Monday morning, news services reported from New York.

Apple Computer's senior debt was downgraded two notches by Moody's Investors Service on expectations that the computer maker's sales will decline during the next 12 to 18 months.

Apple's $300 million of senior debt was cut to B1 from Ba2 by the debt-rating company. Ba2 is two levels below investment grade, while B1 is four levels below investment grade. Both grades indicate that the debt is risky.

Earlier this month, Apple said it might sell convertible debt to shore up its dwindling cash and to finance a reorganization.

The downgrade Friday will make it more expensive for Apple to sell new debt, as investors expect a higher yield to compensate for the increased risk.

(Reuters, Bloomberg)

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Cibinong Intl Finance	$150	2003	1½	100.00	—	Over 6-month Libor. Redeemable at par in 2001. Fees not disclosed. Denominations $10,000. (Bankers Trust Intl.)
Cofinoga	$100	2006	0.55	99.78	—	Interest will be 0.55 over 3-month Libor until 2001, when issue is callable at par, thereafter 1.30 over. Fees 0.50%. (Goldman Sachs Intl.)
Pokphand Finance	$100	2001	1.20	100.00	—	Over 6-month Libor. Noncallable. Fees not disclosed. Denominations $500,000. (Standard Chartered Investment Banking.)
Bacob Overseas	DM200	2000	⅙	99.933	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Banque Paribas.)
Beneficial Bank	£150	1998	⅛	99.93	—	Over 3-month Libor. Noncallable. Fees 0.125%. Denominations £10,000. (J.P. Morgan Securities.)
Fixed-Coupons						
Australia & New Zealand Bank	$200	1998	6½	101.17	99.70	Reoffered at 99.9825. Noncallable. Fees 1⅛%. (HSBC Markets.)
Banque Nationale de Paris	$175	2006	7½	99.896	98.50	Noncallable. Fees 0.50%. (Salomon Brothers Intl.)
Beta Finance Corp.	$200	1999	6⅛	101.0375	99.50	Reoffered at 99.85. Noncallable. Fees 1⅛%. (SBC Warburg.)
Bridas	$100	1998	10¼	99.705	—	Semiannually. Reoffered at 99.705. Noncallable. Fees 1¼%. (Chase Investment Corp.)
Commonwealth Bank Australia	$400	2006	7⅛	100.563	98.25	Reoffered at 99.563. Noncallable. Fees 1⅞%. (Morgan Stanley Intl.)
Council of Europe	$500	2001	6¾	101.475	99.55	Reoffered at 99.85. Noncallable. Fees 1⅞%. (Merrill Lynch Intl.)
Ford Motor Credit	$750	2001	6⅞	101.006	98.79	Reoffered at 99.431. Noncallable. Fees 1⅞%. (Merrill Lynch Intl.)
Hewlett-Packard Finance	$150	1998	6¼	101.225	99.55	Reoffered at par. Noncallable. Fees 1⅛%. (Citibank Intl.)
ING Bank	$150	2006	7¼	99.207	97.45	Noncallable. Fees 0.50%. Denominations $10,000. (PaineWebber Intl.)
Japan Highway Public Corp.	$300	2006	7	99.62	98.05	Noncallable. Fees 0.325%. Denominations $10,000. (IBJ Intl.)
KFW Intl Finance	$200	2000	6½	101.20	99.45	Reoffered at 99.80. Noncallable. Fees 1⅝%. (Paribas Capital Markets.)
PNOC Energy Development	$150	2001	8⅛	99.49	—	Semiannually. Noncallable. Fees 0.625%. (Morgan Stanley Intl.)
Swedish Export Credit	$200	1999	5.10	99.98	—	Interest will be 5.10% until 1997, thereafter 0.90 below 3-month Libor. Redeemable at par from 1997. Fees 0.55%. (Yamaichi Intl.)
Toyota Motor Finance	$350	1999	6¼	100.957	99.10	Reoffered at 99.77. Noncallable. Fees 1⅛%. (Nomura Intl.)
Argentina	DM500	2011	11¾	101.40	99.32	Reoffered at 99.65. Noncallable. Fungible with outstanding issue, raising total amount to 1 billion marks. Fees 2⅛%. (CSFB Effectenbank.)
DSL Finance	DM500	2001	5⅝	101.48	99.35	Reoffered at 99.73. Noncallable. Fees 2%. (Goldman Sachs Intl.)
WGZ Bank	DM250	2001	4	100.00	—	Interest will be 4% in first year, raising 1 point in second and third year, then raising 1½ points in fourth and fifth year. Callable at par from 1997. Fees not disclosed. (WGZ Bank.)
Bayerische Hypotheken und Wechsel Bank	£150	2000	7⅜	101.263	—	Reoffered at 99.638. Noncallable. Fees 1⅝%. (Barclays de Zoete Wedd.)
Bradford & Bingley Building Society	£150	1999	7⅝	101.105	—	Reoffered at 99.83. Noncallable. Fees 1½%. (UBS.)
Brazil	£100	1999	9¾	100.394	—	Reoffered at 99.719. Noncallable. Fees 1⅝%. (HSBC Markets.)
Commercial Union	£200	2016	9½	99.447	—	Noncallable. Fees 0.625%. (Barclays de Zoete Wedd.)
Cariplo	ITL500,000	2006	zero	40.58	39.55	Callable at 62.02 in 2001. Proceeds 200.9 billion lire. Fees 1%. (Cariplo.)
World Bank	ITL300,000	1999	8½	101.12	99.80	Callable at par from 1997. Fees 1⅝%. (Banca Nazionale del Lavoro.)
Dresdner Finance	DF300	2002	5½	100.72	98.62	Reoffered at 99.12. Noncallable. Fees 1⅝%. (ING Barings.)
Kredietbank	ECU45	2002	5¼	101.50	99.60	Interest will be 5¼% until 1999, 8% thereafter. Noncallable. Fungible with outstanding issue, raising total amount to 100 million Ecus. Fees 1⅞%. (Kredietbank.)
Intl Finance Corp.	Aus$200	1999	7¼	100.00	—	Noncallable private placement. Fees 1%. (Kankaku Securities.)
Finland	Y12,000	1998	6.60	99.98	—	Redemption at maturity will be in Australian dollars. Noncallable private placement. Fees 1⅛%. (Daiwa Europe.)
Housing & Commercial Bank, Korea	Y20,000	2001	2.30	100.10	—	Interest will be 2.30% until Dec.1999, when issue is redeemable and callable at par, thereafter 0.20 over 6-month Libor. Fees 0.20%. (Daiwa Securities.)
Equity-Linked						
Sumitomo Bank Intl Finance	Y100,000	2001	open	100.00	—	Semiannual coupon indicated at 1⅛ to 1⅝%. Noncallable. Convertible into company's shares at an expected 10% premium. Fees 2½%. Terms to be set June 10. (Goldman Sachs Intl.)

The Week Ahead: World Economic Calendar, June 3-7

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Philippine Franchise Association and Philippine Exporters Confederation hold conference on franchising. June 4-8. **Singapore:** Asian Airports Summit 1996, on the development of airports in Asia, sponsored by the Institute for International Research. From June 5-7.	**Berlin:** North Atlantic Treaty Organization ministerial meeting. Until June 4. **Vienna:** OPEC holds general conference, which starts June 5 and lasts for two to five days.	**Minneapolis:** Piper Jaffray Annual Investor Conference for the following industries: healthcare, technology, consumer, finance and specialized industries. June 3-6. **New York:** Securities Industries Association holds Information Management Conference. June 4-6.
Monday June 3	**Manila:** May inflation report. **Sydney:** March quarter foreign debt figures; Macquarie Bank Ltd. to report full-year profit. **Tokyo:** May new vehicle sales; May foreign currency reserves; average loan interest rate for new loans in April.	**Copenhagen:** Danish May purchasing managers index. **London:** Provisional M0 figures. **Paris:** French April unemployment. **Vienna:** Austrian Association of Industrialists holds seminar on corporate expansion into Eastern Europe.	**Auburn Hills, Michigan:** Chrysler Corp. reports May auto sales. **Detroit:** General Motors Corp. reports May auto sales **Washington:** May leading indicators;National Association of Purchasing Management's May index; April construction spending.
Tuesday June 4	**Sydney:** Reserve Bank of Australia monthly board meeting. **Wellington:** Antitrust regulator to rule on whether News Corp. can buy 100 percent of Ansett New Zealand Ltd. and on whether Air New Zealand Ltd. can buy 50 percent of Australian airline Ansett Holdings.	**Amstelveen, Netherlands:** KLM Royal Dutch Airlines releases earnings for the financial year ended March 31. **Brussels:** May jobless figures; May new car registrations. **Copenhagen:** May currency reserves.	**New York:** Johnson Redbook research service releases weekly survey of total U.S. sales at more than 20 department, discount and chain stores. **Washington:** April factory orders.
Wednesday June 5	**Sydney:** ABN AMRO Bank NV Chairman Jan Kalff holds news conference. **Taipei:** May consumer price index. **Tokyo:** Trade balance for first 20 days of May; Chuounyu Co. and Nishikawa Keisoku Co. list shares on the over-the-counter exchange.	**Milan:** Mediaset SpA, a presents plans for an initial stock offering to investors. **Paris:** Rhône Poulenc SA unveils new company created with Sofiproteol. **Rome:** Final May consumer prices. **Stockholm:** Inflation report.	**Washington:** April housing completions; The Mortgage Bankers Association of America releases weekly report on mortgage applications. **Arlington, Virginia:** American Gas Association releases its weekly U.S. natural gas inventory report.
Thursday June 6	**Sydney:** May unemployment data. **Tokyo:** May imported vehicle sales; Ministry of International Trade and Industry's deputy minister, Tomio Tsutsumi, holds regularly scheduled press conference.	**London:** Confederation of British Industry releases distributive trades survey for May. **Paris:** Bank of France Monetary Policy Council meets. **Voorburg, Netherlands:** Trade data for first quarter and March.	**Chicago:** Federal Reserve Governor Susan Phillips speaks on regulation of derivatives at a Chicago Federal Reserve Bank conference. **Dearborn, Michigan:** Ford Motor Co. reports May auto sales.
Friday June 7	**Taipei:** May figures for Taiwan import and exports and gold imports. **Tokyo:** Bank of Japan releases quarterly "Tankan" survey of business sentiment. **Wellington:** Gross domestic product revisions.	**London:** First-quarter construction output; April housing starts and completions. **Rome:** EU and non-EU trade for April. **Stockholm:** May unemployment. **Voorburg, Netherlands:** May consumer prices.	**Washington:** May unemployment; weekly report on commercial and industrial loans at U.S. commercial banks; April consumer credit. **Atlanta:** Turner Broadcasting System Inc. holds annual shareholder meeting.

Last Week's Markets

Stock Indexes

United States	date	date	% Ch'ge
DJ Indus.	5643.18	5,762.86	—2.08
DJ Util.	209.96	214.92	—2.31
DJ Trans.	2228.00	2,275.94	—2.11
S & P 100	646.02	654.80	—1.34
S & P 500	669.12	678.51	—1.38
S & P Ind	798.29	807.32	—1.12
NYSE Cp	358.83	363.74	—1.35
Japan			
Nikkei 225	21,956.19	21,798.43	+ 0.72
Britain			
FTSE 100	3,747.80	3,752.10	— 0.11
Canada			
TSE Indus.	5246.40	5,226.16	+0.39
France			
CAC 40	2,110.06	2,117.65	— 0.36
Germany			
DAX	2,542.80	2,542.24	+ 0.02
Hong Kong			
Hang Seng	11,264.70	11,019.20	+ 2.23
World			
MSCIP	776.18	777.21	— 0.13

World index from Morgan Stanley Capital Intl Perspective.

Money Rates

United States	May 31	May 24
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅛	5⅛
Japan		
Discount	0.50	0.50
Call money	0.44	0.41
3-month interbank	0.59	0.59
Britain		
Bank base rate	6.00	6.00
Call money	6⅛	6.00
3-month interbank	6 1/16	6 1/16
France		
Intervention rate	3.70	3.70
Call money	3¾	3¾
3-month interbank	3 15/16	3 15/16
Germany		
Lombard	4.50	4.50
Call money	3.25	3.35
3-month interbank	3.40	3.31

Gold	May 31	May 24	% Ch'ge
London p.m. fix.$	390.55	390.85	- 0.08

Euromarts

Eurobond Yields

	May 31	May 24	Yr high	Yr low
U.S. $, long term	6.95	6.92	6.96	6.17
U.S. $, mdm term	6.60	6.52	6.60	5.61
U.S. $, short term	6.31	6.12	6.31	5.19
Pounds sterling	7.80	7.80	7.88	6.99
French francs	5.85	5.83	6.38	5.83
Italian lire	8.93	9.04	10.45	8.93
Danish kroner	6.13	6.13	6.51	5.95
Swedish kronor	7.07	7.10	8.55	7.07
ECUs, long term	7.09	7.07	7.50	6.86
ECUs, mdm term	6.00	6.05	6.56	5.89
Can. $	7.28	7.31	7.39	6.56
Aus. $	8.75	8.69	9.04	7.99
N.Z. $	9.00	8.98	9.07	7.04
Yen	2.59	2.61	2.74	2.28

Source: Luxembourg stock exchange.

Weekly Sales

May 30

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	210.5	812.8	3,583.4	1,182.9
Convert.	1.0	0.4	60.0	329.2
FRNs	164.0	304.5	502.0	265.7
ECP	8,949.8	5,444.7	8,086.5	6,093.1
Total	9,325.3	6,562.4	12,231.9	7,870.9

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	13,843.6	16,607.2	43,740.4	21,801.9
Convert.	506.4	758.1	2,022.2	1,278.0
FRNs	8,528.5	3,186.7	28,033.6	4,574.1
ECP	11,586.5	10,853.1	14,637.7	20,672.2
Total	24,465.0	31,405.1	88,433.9	48,326.2

Source: Euroclear, Cedel Bank.

Libor Rates

May 31

	1-month	3-month	6-month
U.S. $	5⅜	5½	5⅝
Deutsche mark	3⅜	3 7/16	3 9/16
Pound sterling	6 1/16	6 1/16	6⅛
French franc	3⅝	3 15/16	3 15/16
ECU	4 7/16	4½	4⅝
Yen	7/16	9/16	11/16

Sources: Lloyds Bank, Reuters.

SHORT COVER

OPEC Chief Urges Production Cuts

CAIRO (AFP) — OPEC countries must quickly cut back their excess oil production to make room for new Iraqi exports, or face a "dangerous crisis," the cartel's president has said.

"We must not delay," Ammar Makhloufi, oil minister of Algeria, said in an article published Saturday in the newspaper Al-Hayat. The Organization of Petroleum Exporting Countries "must take a very quick decision taking into account the additional amounts of Iraqi oil," he said.

OPEC oil ministers are to meet Wednesday in Geneva.

The current OPEC ceiling is 24.5 million barrels per day, but overproduction by members of the cartel has driven total production up to 26 million. Iraq is expected to add another 700,000 to 800,00 barrels per day under an oil-for-food deal it signed with the United Nations last month.

Chip Firm Seeks Dumping Inquiry

BOISE, Idaho (Bloomberg) — Micron Technology Inc. has asked the Commerce Department to investigate whether two Korean companies, Hyundai Electronics Industrial Co. and LG Semicon Co., are selling computer memory chips below prices allowed by U.S. trade law.

The request comes as memory-chip prices are falling, forcing producers to halt expansion plans and cut output.

"These companies have previously violated U.S. trade laws, and there are active penalty provisions to deal with it," Steve Appleton, chief executive of Micron, said, adding that his company had "strong evidence" that Hyundai and LG Semicon were selling chips at "below production costs," a practice known as dumping.

Both companies were cited by the Commerce Department in 1993 for dumping chips in the United States after Micron sought an investigation of their sales. Executives of Hyundai and LG Semicon could not be reached for comment.

BBV Buys Stake in Colombia Bank

BOGOTA (Bloomberg) — Banco Bilbao Vizcaya of Spain has agreed to pay $300 million for a 40 percent stake of Banco Ganadero SA, Colombia's largest bank.

The Spanish bank will make the investment principally by purchasing new common shares issued by Ganadero, the banks said Friday. The companies did not disclose how much Banco Bilbao Vizcaya would pay for each share.

Workers in Norilsk Go on Strike

MOSCOW (Reuters) — More than 10,000 workers in the Arctic town of Norilsk began a three-day strike on Saturday over living conditions and other issues, Itar-Tass news agency said.

It was unclear whether the stoppage would affect output at Norilsk Nickel, the main employer in the town, which produces nearly a fifth of the world's nickel and cobalt. The company employs 130,000 people in the remote town.

The strikers are demanding solutions to the problems of shipping food and goods to the town, and the construction of houses for retirees, Tass said. They also have asked the management of Norilsk Nickel to set out a program for the economic development of the region.

Vietnam Firms Seek Protection

HANOI (AFP) — Vietnamese consumer products companies have called on the government to restrict foreign investment in their businesses to protect them from competition that is driving them out of the market, a report said Sunday.

Meeting in Ho Chi Minh City last week, the companies urged the government to restrict foreign companies from manufacturing beverages, cigarettes, detergents and paper in Vietnam because of the impact on local production.

Domestic companies have said they lack capital to upgrade production and cannot benefit from some tax incentives offered to foreign investors.

Festi, a Vietnamese cola manufacturer, said it had seen its market share drop to 30 percent from 70 percent after the arrival of Pepsi Cola and Coca-Cola after the lifting of the U.S. trade embargo in 1994.

Taiwan Farmers Set Up Aid Fund

TAIPEI (Reuters) — Farmers' unions in Taiwan have agreed to set up a 60 billion Taiwan dollar ($2.17 billion) fund to help each other during bank runs, a move that follows a series of financial scandals since 1995, a union official said Sunday.

"We decided to take 5 percent of combined savings — about 60 billion dollars — from farmers' unions in Taiwan to set up the emergency fund," Chien Chin-ching, chairman of the Taiwan farmers' unions association, said. The fund "should be enough to help any union that faces emergency financial problems," he said.

The fund is expected to be set up by July, according to state television.

Taiwan has reported several financial scandals involving excessive loans and other management lapses in farmers' unions and credit cooperatives since 1995. The scandals, which caused the stock market to plunge, led to the punishment of dozens of government officials for failing to supervise the operations and conduct financial examinations.

For the Record

- **Gazprom** plans to invest up to $4.5 billion in the development of its network of export gas pipelines in 1996 and early 1997, Rem Vyakhirev, chief executive of the Russian gas company, told the official Interfax news agency.
- **Dow Corning Corp.** plans to invest $1 billion to build a glass factory in central Taiwan, the largest foreign investment in that country, according to the China Times newspaper.
- **Germany** will start electronic trading in all securities by the end of 1998. Deutsche Börse AG, the holding company for Germany's stock exchanges, said the automated service would be offered alongside traditional floor trading.
- **Australian Stock Exchange** volume hit a record 144 billion Australian dollars ($115 billion) in the 11 months to May 31 because of a 50 percent reduction in government duties on share trading.

Knight-Ridder, Reuters, AP

Pressure Pays Off, Fund Says

Reuters

ZURICH — BK Vision AG, a Swiss investment fund that is the largest shareholder in Union Bank of Switzerland, said the pressure it had put on UBS was already starting to produce improvements in the bank's management.

The fund, run by the Swiss financier Martin Ebner's BZ banking group, said it had used its stake in UBS to push for action to raise profitability, focus on core business, and pay more attention to shareholders' interests.

It said in an interim report for the four months to April 30 that its proposals were at first largely misunderstood by the general public.

"But intense discussion in the press and growing awareness of the significance of corporate controlling have put the management of UBS under so much pressure that there are already first signs of improvement," it added.

"The remuneration of the bank's management, for example, has been made more dependent on the performance of UBS shares rather than on arbitrary short-term goals," it said.

As of April 30, BK Vision held 9.2 percent of the registered shares in UBS and 5.5 percent of the bearer shares, compared with 19.8 percent and 2.6 percent at the end of last year. The fund's only other holding is a 4.8 percent stake in Zurich Insurance. Its total portfolio was worth 2.85 billion Swiss francs ($2.28 billion), up from 2.72 billion francs at the end of December.

BK Vision said that if UBS management used its shareholders' equity more prudently and promoted profitable activities such as asset management, both earnings and the return on earnings would undergo lasting improvement.

A focused strategy would not only require less shareholders' equity but also lead to considerable cost savings, it said.

For Social Investors, Enemy Is Ignorance

By Ken Brown
New York Times Service

NEW YORK — Investors who buy U.S. mutual funds that invest in overseas markets might be appalled if they knew where their money really was going.

Depending on the fund, the money could be financing companies that are cutting the rain forests, threatening a precious natural habitat or using child labor. Perusing a list of the fund's holdings would probably be of little help in determining which companies are at fault.

Companies with records of human rights abuses, environmental problems or sweatshop conditions are difficult enough to ferret out in the United States, where information is relatively accessible. Getting information about companies in certain other countries is nearly impossible, say representatives of environmental and human rights groups.

Reliable information is scarce because of such factors as distance, language barriers, complicated corporate structures, lax disclosure and weak government regulations.

"It is difficult to obtain information in every instance," said Sophia Collier, president of Citizens Trust in Portsmouth, New Hampshire, which has several socially responsible funds that attempt to avoid stocks in companies with such problems.

So investors who go to great pains to avoid domestic investments that violate their social or political beliefs face much greater obstacles if they venture abroad. Those who do not give much thought to such issues now might become concerned as advocacy groups focus on the exploitation in other countries by an increasingly global investment community.

Forsaking foreign investments simply does not seem to be an acceptable solution for the concerned investor. The advice is chanted again and again to go international and buy stocks, bonds or mutual funds in foreign countries to spread portfolio risk and to increase returns.

Plenty of Americans have done just that, putting billions of dollars — $21.9 billion this year — into funds that invest overseas.

No matter how careful an investor tries to be, the potential for an error is great. Even American companies that boast of their labor records, such as Reebok International Ltd. and Wal-Mart Stores Inc., have had some unpleasant discoveries.

Reebok said that last year it fired a contractor in Pakistan who was employing children under the age of 14. Likewise, Wal-Mart has recently been embarrassed by tales of child labor practices in Honduras and has said that although it has strict policies, "we can't police every factory 24 hours a day."

Among the biggest obstacles for these global corporations and for investors can be the dearth of re

INVESTING

liable information. But the demand is growing, driven in part by individuals, but mainly by institutions with billions of dollars that want to diversify internationally while adhering to certain standards.

New York City, for example, is considering putting some of its pension money in emerging markets, which have the greatest prospects for growth but where corporate practices are also the most difficult to track. The city plans to rely heavily on money managers and consultants to do screening.

"There is a huge need in these markets for more research," said Barbara Samuels, a managing director at Moody's Investor Services who analyzes emerging markets.

More than $600 billion, or nearly a tenth of the funds under professional management in the United States, is invested using social criteria. There are about three dozen mutual funds that consider themselves socially responsible, but only two of them invest internationally, according to Morningstar Inc., the fund tracking company in Chicago. None of the funds invests specifically in emerging markets.

The two international funds for individual investors, Calvert World Values Global Equity and Citizens Global Equity Portfolio, avoid companies that build bombs or nuclear power plants and most that dig for minerals, drill for oil or cut down trees.

But beyond such criteria, the funds' research is limited to phone calls and to reports from activist groups like Amnesty International, Greenpeace, Human Rights Watch and the Sierra Club, and from the media.

"You can have some anecdotal information, but to have something that is complete and thorough and well-rounded is kind of beyond the state of the art right now," said J. Michael McCloskey, chairman of the Sierra Club.

Comparator Executives Face Fraud Charges

By Floyd Norris
New York Times Service

NEW YORK — The Securities and Exchange Commission has charged Comparator Systems Corp. and three of its executives with fraud in connection with the company's financial statements.

The commission also contended Friday that the company had not developed a new fingerprint identification system, as it had said, but had instead stolen a prototype of a system developed by others.

A commission official said that a federal judge in Los Angeles, Lourdes G. Baird, issued a temporary restraining order against the company and the executives, and ordered a freeze on their assets. A hearing was set for June 13.

The officials named in the civil complaint were Robert Reed Rogers, the company's chairman and chief executive; Scott Hitt, a former executive vice president, and Gregory Armijo, a vice president.

The SEC said executives sold tens of millions of shares in the Irvine, California, company after issuing financial statements in 1994, 1995 and 1996 that "grossly inflated its assets" to keep the company's stock listed on the Nasdaq system.

In early May, Comparator became one of the most amazing stock stories on the Nasdaq system, leaping from 3 cents a share to a peak of $1.75, in the process breaking records by trading 177 million shares in a day.

With more than 600 million shares outstanding, the company was briefly valued at more than $1 billion, despite the fact that since its founding in 1977 it had rung up less than $2 million in sales.

The Nasdaq system halted trading in the stock on May 8, pending revision of the financial statements, and did not allow it to resume even after the company said it might restate the value of some assets.

The company said it might have to lower the value of patents, of some investments it had made and of a debt it said it was owed by a former executive the company has accused of embezzlement.

But the SEC said that virtually all those assets, as well as others, were either fictitious or worthless. If true, the company would appear to have no value.

If the SEC's position is upheld, Comparator would no longer be eligible for a Nasdaq listing. In that case, the shares could resume trading, but not on Nasdaq, although there might be little demand for them.

The last trade on Nasdaq was at 56 cents.

Receivers Start Selling Parts of Retailer Facia

Reuters

LONDON — Buyers lined up for parts of British retailer Facia on Sunday as receivers began the task of resolving the privately owned chain's estimated £30 million ($46.5 million) of debt.

The group's collapse may cost thousands of jobs across some of Britain's best-known retailers. But a spokesman for the receivers, KPMG, said talks were under way with interested buyers.

"We have had about half a dozen expressions of interest from U.K. firms for various parts of the business," said KPMG corporate affairs director, Tim Roberts. "We will be talking to several this weekend and over the early part of the coming week."

He declined to give further details, but said that all five units that have been taken into receivership did brisk business on Saturday and would open as usual on Monday. They are the luggage group Salisbury's, lingerie shops Contessa, Oakland menswear, jewelry chain Torq and fashion house Red or Dead.

The group was placed into receivership on Saturday by United Mizrahi Bank of Israel, which is owed an estimated £7 million. That move was triggered by news on Friday that Sears PLC had served a petition in Britain's High Court to put Facia's shoe businesses into administration.

Mr. Roberts said the case would be heard on Monday. The footwear retailers affected are Saxone, Freeman Hardy Willis and Curtess.

The Facia chairman, Stephen Hinchliffe, who founded the chain two years ago, could not be reached for comment. But Mr. Roberts said he had expressed "dismay" at the appointment of KPMG and Grant Thornton as joint receivers.

The Sunday Times said Mr. Hinchliffe had vowed to have the receivership overturned. The chairman is already fighting attempts by the Department of Trade and Industry to disqualify him as a company director, and Facia faces prosecution unless it submits accounts by the end of next month.

At a news conference Saturday, KPMG said the group had posted a loss of £9 million in the past 16 weeks.

CHAT: *Newest Internet Conversations Combine Text and Graphics*

Continued from Page 11

real-life wallet.

But what I tried out was CompuServe's WorldsAway, which was unveiled in the autumn and requires a whopping 32 megabytes of hard disk space to install. It follows a mystical, medieval theme.

You walk around the city of Phantasus on the Island of Kymer. An "oracle" is a system operator; an acolyte is a member of the volunteer staff. Other places to visit include a temple, a cafe, a bar and a theater. There are ghosts, too.

The metaverse world has a barter system: To acquire the image of your choice, you must have the right amount of tokens. You can also buy other items out of vending machines along the sidewalk, such as flowers to give to a friend or stranger you meet, spray-paint to change the color of your clothes, tickets to a theater production.

Earning tokens requires staying on-line; your account is credited 60 tokens an hour.

After spending some time on-line, the virtual world began to seem like a real society. I found empty cans littered about; I found strangers talking about the weather to get the conversation started.

But this is not a completely foreign environment to regular on-liners. It has many remnants of text-based chat. In a room with four or five people or more, it's quite difficult to follow any single exchange of conversation as comments get jumbled up with everyone else's in an incoherent cacophony. There also are lots of inside jokes — in the case of a metaverse, inside gestures as well — which can leave newcomers confused.

As in text chats, there's no knowing the truth about your fellow avatars. I entered in as a male, and people treated me like what I looked like.

There is no telling what people will come up with in a metaverse because there is no telling what people will come up with anywhere.

I'm not willing to pay that much of a price to find out how my world — my avatar, my alter-ego? — will turn out, but it was a fascinating experiment nonetheless.

■ AOL Numbers Grow

America Online Inc. has pushed itself over the 6 million-subscriber mark by including for the first time international and other customers not normally counted, Bloomberg reported from Vienna Virginia.

The new accounting includes about 150,000 international customers and 200,000 subscribers to GNN, its access service to the Internet.

Internet address: CyberScape@iht-lib.demon.co.uk

Tuesday

STYLE

From Paris to Milan, from New York to Tokyo, fashion editor Suzy Menkes covers the fashion front. With additional reporting on lifestyle issues, the Style section provides up-to-date information on developments in the changing world of creative design.

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The Instructions to Bidders and the Contract Documents will be available to bidders from May 31, 1996, until the day before the documents delivery date, against payment in Brazilian currency of R$ 150,00 (one hundred and fifty Reais), at the following addresses:

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  Phone (55-41) 322-1212 - Ext. 5541
  Fax (55-41) 331-3265
  or
- Escritório COPEL / São Paulo
  Alameda Santos, 1800 14º andar - conj. 14B
  01418-200 - São Paulo - SP, Brazil
  Phone (55-11) 289-1431

At the time of purchase of the Instructions to Bidders and the Contract Documents, the company shall present a letter containing name and department of the person for contact, his/her complete mailing address, phone and fax.

The receipt of the Qualification Documents and the Price Bids is scheduled for August 07, 1996, at 2.00 P.M., at COPEL's office meeting room, in Curitiba, 233 Voluntários da Pátria Street, ground floor

The competition will be ruled by Brazilian Law No 8666, dated June 21, 1993, and by other conditions stated in the Instructions to Bidders and in the Contract Documents.

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MUTUAL FUNDS

Figures as of close of trading Friday, May 31

The Importance of Being Early

With entrepreneurs starting innovative companies, taking them public and becoming millionaires overnight, investors are eager to get in on the action by purchasing shares in initial public offerings. They have a good reason: the average new issue rises 16.3% in the first day of trading, according to a 1988 academic study by Ibbotson Sindelar Ritter. Mutual Funds are joining the bandwagon, Morningstar Inc. has found. The fund-tracking firm studied the portfolios of more than 2,000 American equity funds in April and found more than 80% had at least 10% of their assets invested in issues that had come to market after Jan. 1, 1995. Funds with heavy concentrations of new issues have outperformed the industry average in recent years.



The Morningstar 500 funds with the biggest portion of their assets in issues that came to market after Jan. 1, 1995.

	% in IPOs		% in IPOs
Warburg Pincus Post-Venture Capital	28%	Berger Small Company Growth	13%
Alger Capital Appreciation	19	Artisan Small Cap	12
Seligman Frontier	19	Seligman Henderson	11
John Hancock Special Equities	18	Dreyfus New Leaders	11
PBHG Emerging Growth	16	Robertson Stephens Growth and Income	11
Janus Venture	14	Alger Small Capitalization	11

The figures are based on portfolio information available as of early April

Sources: Morningstar, The New York Times NYT

CAREERS

Executives Dare Not Say 'No' to Hot High-Tech Corporate Recruiter

By Glenn Rifkin
New York Times Service

OSSINING, New York — When James Cannavino retired from International Business Machines Corp. last spring at 51, he received hundreds of job offers. He had run many of the company's important business units during his 32 years there and was a hot property in high-tech circles.

But he was determined to take at least a year off. He wanted to build a home in West Palm Beach, Florida, and then to sort through the best opportunities leisurely. He considered himself unrecruitable in the short run.

A call from David Beirne changed that. Mr. Beirne, 32, a rising star of high-tech headhunting, does not know the meaning of "no." His signature talent, recruiters and executives say, is to persuade executives to take new jobs, no matter how satisfied they think they are.

"His enthusiasm pours through the telephone," said Steve Case, the chief executive of America Online Inc., a client of Mr. Beirne's. "He galvanizes the attention of executives who are quite happy doing what they are doing."

That is what happened with Mr. Cannavino. In one conversation, Mr. Beirne persuaded him to consider the job of president of Perot Systems Corp., Ross Perot's technology services company in Dallas. By September, Mr. Cannavino had abandoned his previous plans and taken the job.

The secret to recruiting, said Mr. Beirne, a former basketball and lacrosse star, is close listening. "You've got to hear things he is not even saying," he said of potential recruits. "Then you can throw the hooks in."

Whatever Mr. Beirne does, it works. In the past four years, he has placed James L. Barksdale, chief executive of Netscape Communications Corp.; Robert J. Herbold, chief operating officer of Microsoft Corp.; William Razzouk, president of America Online; Frank A. Ingari, chief executive of Shiva Corp., and Jim P. Manzi, a former chief executive of Lotus Development Corp. who now runs Industry.Net. Mr. Beirne is now looking for a new boss for Broderbund Inc., the entertainment software maker.

"He's the best in the business," said John Doerr, the head of Kleiner, Perkins, Caulfield & Byers, a venture capital firm in Menlo Park, California.

Mr. Doerr said he regularly referred Mr. Beirne to his client firms. The pair set the industry abuzz in 1994 by snatching Mr. Barksdale, a former No. 2 executive at Federal Express Corp. and McCaw Cellular Communications Inc., for the then-unknown Netscape.

Mr. Beirne and his partner, Charles Ramsey, a veteran recruiter, founded Ramsey/Beirne Associates in 1987, where they and their partners and consultants have compiled a roster of thousands of names inside and outside the high-tech arena.

The company, based in Ossining, north of New York City, accepts searches only for jobs at the level of vice president or higher and carrying minimum salaries of $200,000. As a fee, it gets the standard one-third of the executive's first-year salary and bonus. The company took in $10 million in fees in 1995 and is expected to earn an estimated $15 million this year, Mr. Beirne said. Though he would not reveal his total compensation last year, he said he received a base salary of $150,000 and 50 percent of the firm's profits.

In the industry, Mr. Beirne is known for innovation. He refuses to work through human resource departments, for example, opting to work directly with the person doing the hiring. Rather than merely supplying a list of candidates to a client, Mr. Beirne says he spends many hours interviewing the client's executives and board members and assessing in detail their business needs and market vision. He does similar research on potential candidates.

Aggressiveness is another hallmark. "Everybody's recruitable," said Mr. Beirne, who looks at assignments as a kind of big-game hunting. "If we could find God's phone number, we'd call him. We have no fear."

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Personals

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day, your prayer will be answered. It has never been known to fail. Publication must be promised. MG/TT.

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ONCE AGAIN AS ALWAYS you have answered my prayers. Thank you Sacred Heart of Jesus for prayers answered. - Fred Hsu

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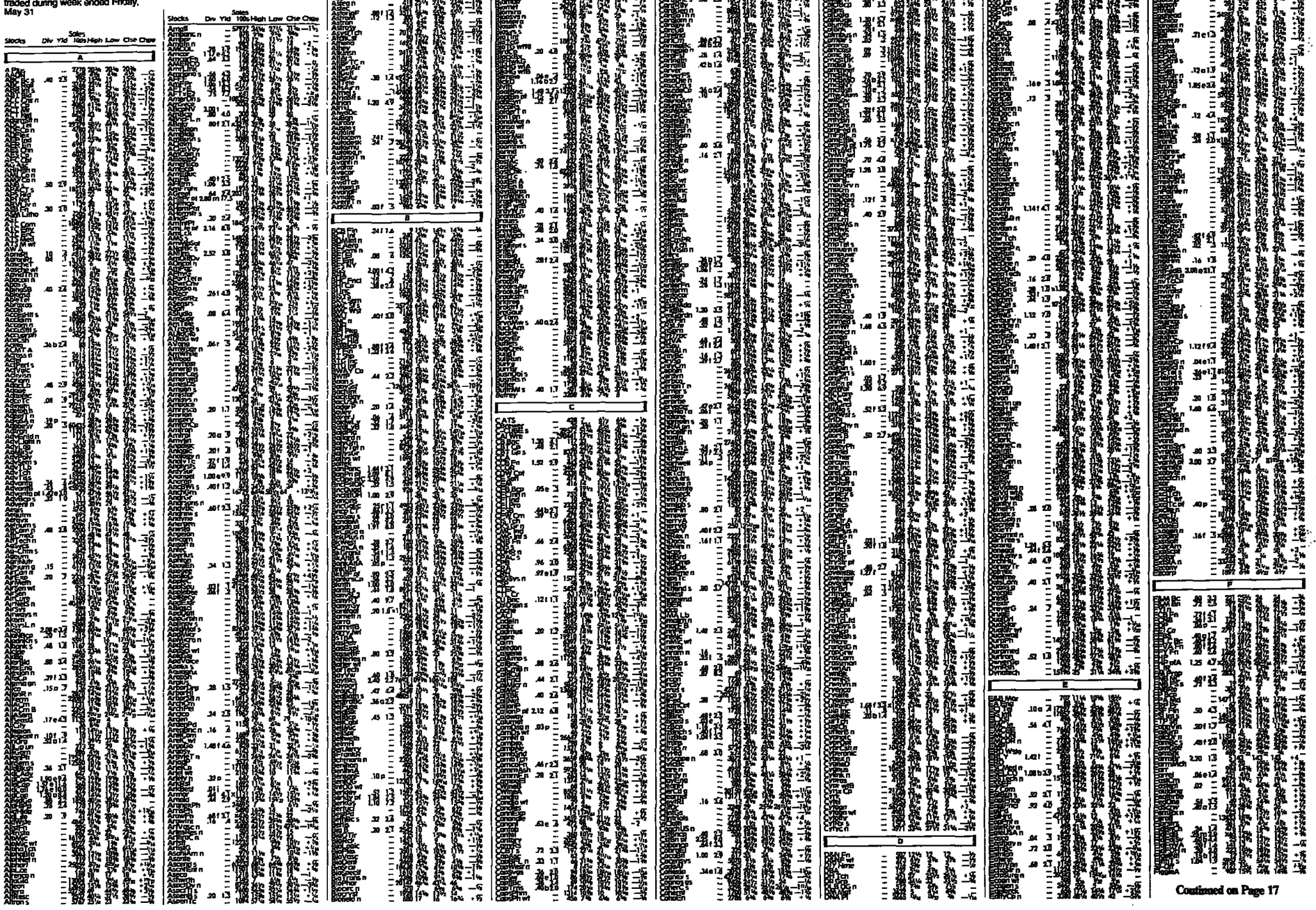
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 31



Continued on Page 17

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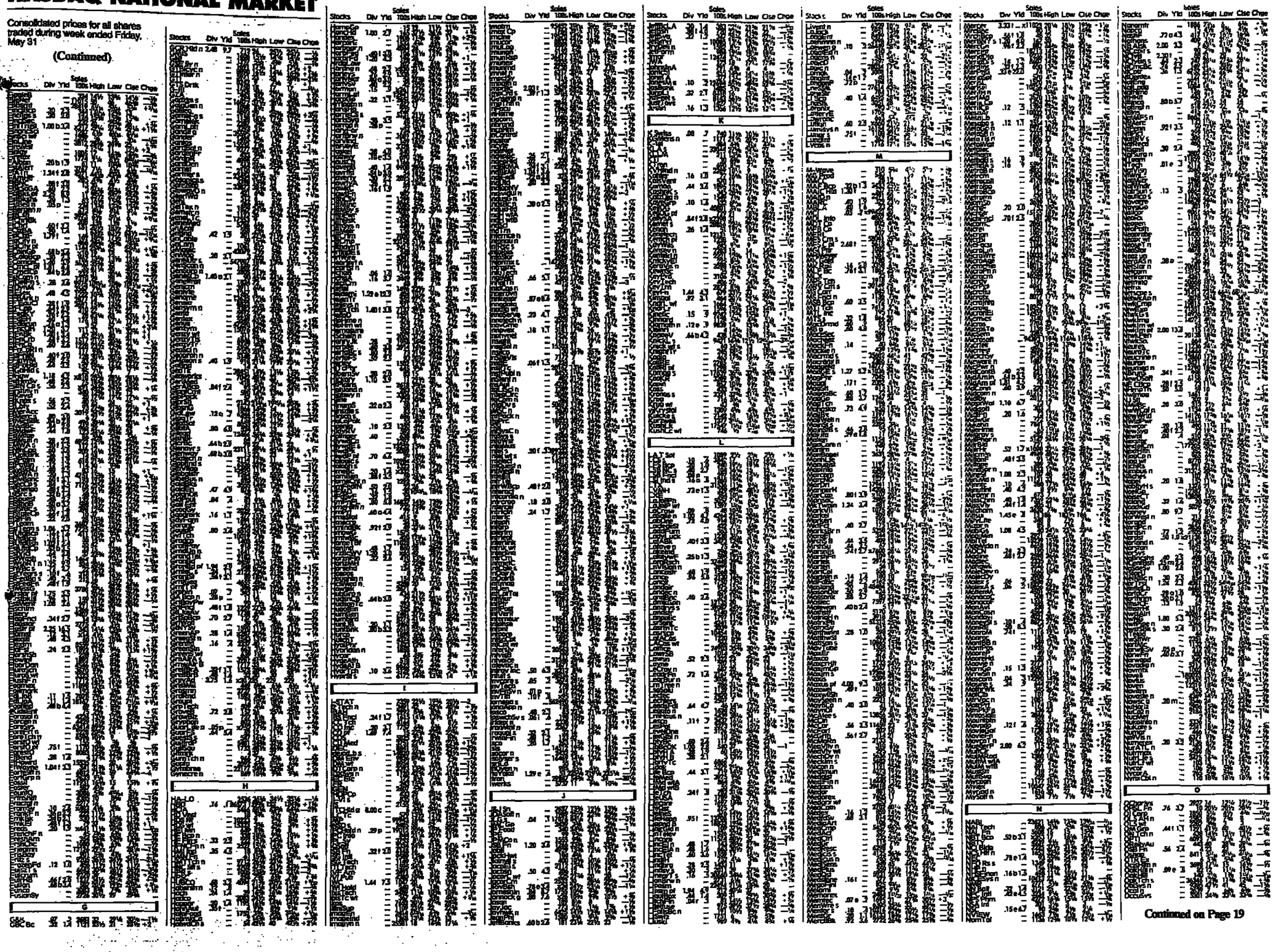
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 31

(Continued)



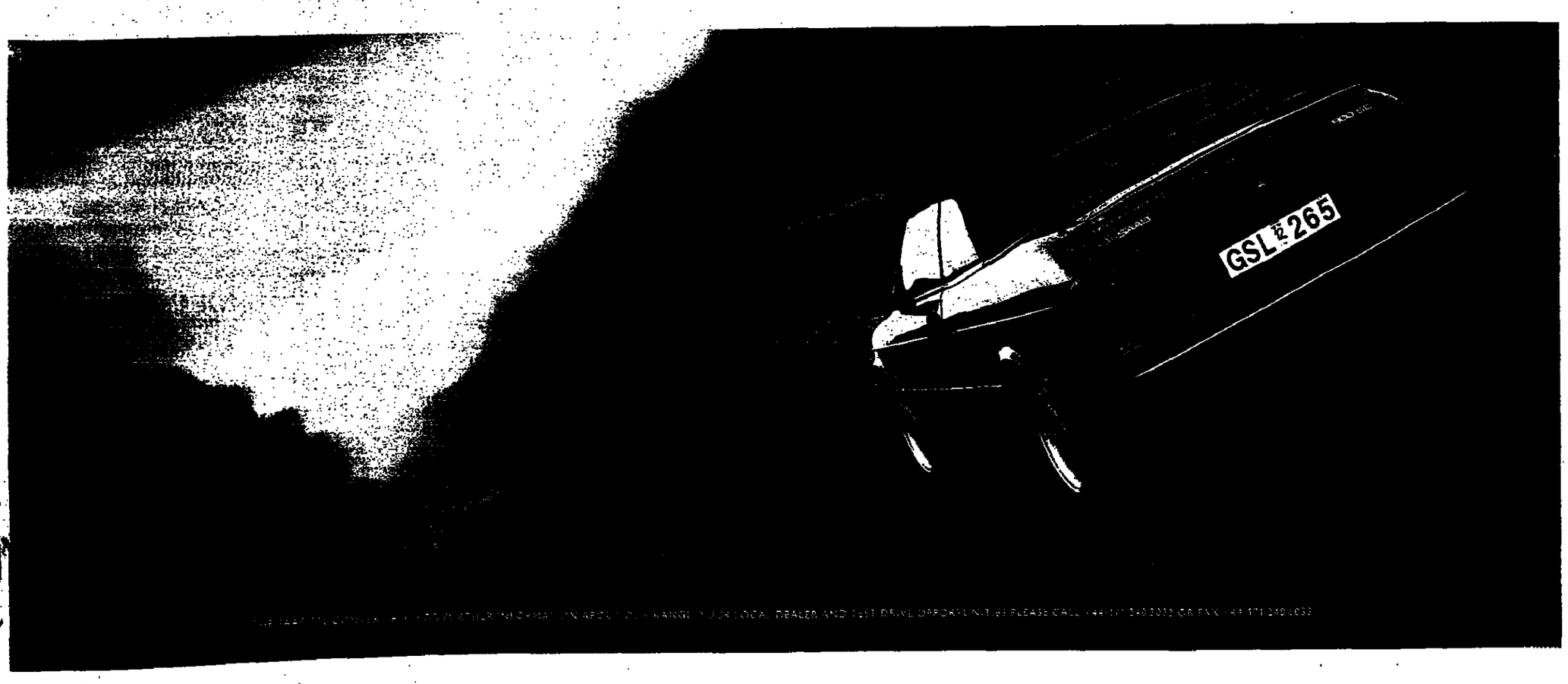
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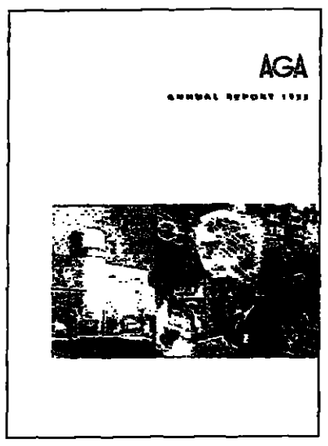
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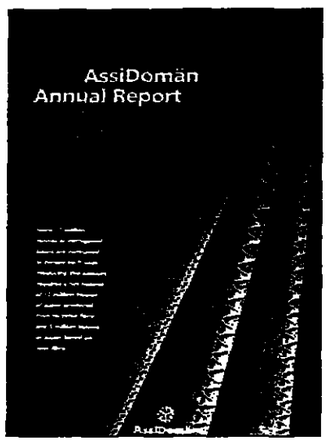
Scandinavian Annual Reports



AGA 1

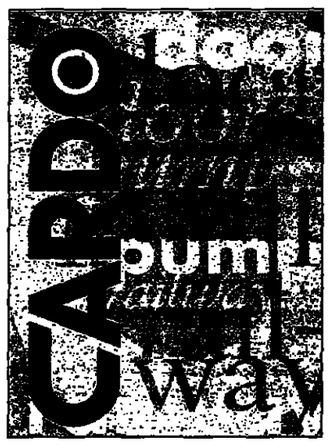
- AGA's income after financial items increased in 1995 by 22 percent to SKr 2,108m (1994: SKr 1,726m). In addition, a capital gain of SKr 601m arose from the sale of share in Avesta Sheffield.
- Net income per share after full tax rose by 20 percent to SKr 0.31 (5.28), excluding the capital gain.
- Proposed dividend increase to SKr 2.70 (2.25) per share.
- March 27, 1996, AGA sold its shareholding in the associate company Gullspangs Kraft which resulted in a capital gain of approximately SKr 1,600m after tax.
- *The 1996 result is expected to be at largely the same level as 1995, excluding capital gains.*

AGA is one of the world's largest gas companies. The Group produces and sells industrial and medical gases in 35 countries in Europe, the U.S. and Latin America.



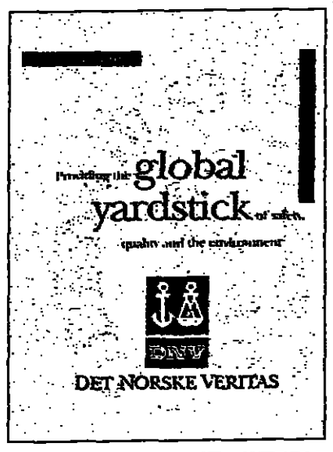
ASSI DOMAN 2

AssiDomän is one of Europe's leading forest products companies. Production is concentrated on packaging papers, packaging products and sawn timber.
AssiDomän is the largest forest-owner in Sweden, with holdings of 3.4 million hectares of productive forest land.
The average number of employees in 1995 was 13,119, of whom 6,916 were employed in Sweden. The Group's total sales in 1995 amounted to SKr 21,016 million, of which 77 per cent went to customers outside Sweden.
The profit after net financial items amounted to SKr 4,346 million, an improvement of *SKr 2,274 million, or 110 percent.*
- The Annual Report for 1995 is accompanied by a separate Environmental Report.



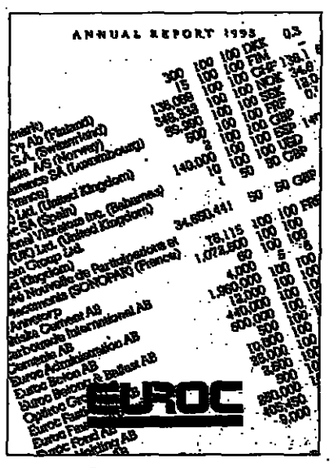
CARDO 3

Cardo is an international engineering group with strong positions in the markets for industrial doors, centrifugal pumps and railway brake systems - markets that hold good long-term prospects for growth.
Earnings after financial items rose by 105 percent to SEK 561 million (273) and the profit margin was 9.1 percent (4.9). Earnings per share after full tax increased by 103 percent to SEK 13.48 (6.64) and shareholders' equity per share amounted to SEK 51.81 (38.84).
Cardo has a presence in 22 countries and 91 percent of sales, totalling SEK 6.2 billion *in 1995, were made outside Sweden.* Almost 80 percent of the company's 5,700 employees work outside Sweden.



DET NORSKE VERITAS 4

An independent foundation established in 1864 "to safeguard life, property and the environment", Det Norske Veritas operates in 100 countries on behalf of some 120 national authorities. Its staff totals 3,700 worldwide, and has extensive R & D facilities, with laboratories in Norway, the Netherlands, Singapore and the USA.
As one of the world's *leading* maritime classification societies, *DNV* formulates rules for the construction of ships and offshore platforms.
To shipbased and offshore industry, DNV provides certification and advisory services in safety, quality and environmental management.
1995 turnover totalled 3 billion NOK (USD 483 million).



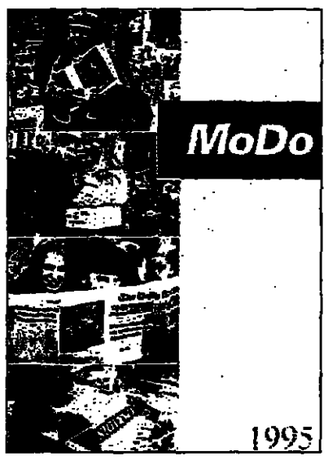
EUROC 5

Euroc's earnings after net financial items and minority shares totalled SEK 955 M in 1995, an increase of SEK 222 M, compared with SEK 733 M in 1994 (excluding nonrecurring items of SEK 138 M).
In March, the merger was finalized between Euroc and the Norwegian Aker Group's *cement and building material operations. A new major Nordic construction materials* group has been created with sales of SEK 14 billion and 9,500 employees, strong home market positions, presence in both mature and emerging markets, critical size and efficient production facilities. In connection with the merger, the group has changed its name to Scancem.
Excluding the effects of the merger, earnings in 1996 are expected to be on the same level as in 1995.



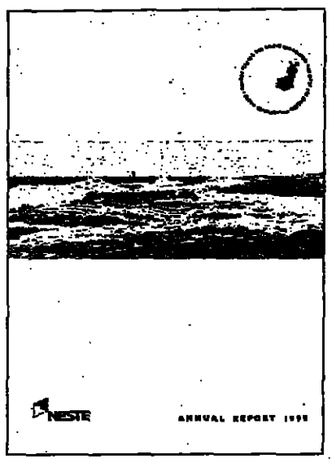
KEMIRA 6

Kemira is a Finland-based chemical group whose main business areas are various industrial chemicals, titanium dioxide pigments, plant nutrients and paints. Some 60% of Kemira's production is outside Finland.
Net sales in 1995 totalled FIM 12,352 million and operating income was FIM 1,337 mil*lion, up by 35%. The prospects of the Kemira Group in 1996 are promising and the* Group expects it to be a year of good financial performance.



MODO 7

MoDo produces and sells fine paper, newsprint and magazine paper, paperboard, sawn timber, and pulp.
The consolidated profit after net financial items for 1995 amounted to Skr 5,216 million (1994: 1,825m).
MoDo is one of Sweden's top ten exporters. The Group owns production facilities in Great Britain and France, as well as in Sweden. MoDo operates through its own marketing organisations in most European countries and in the U.S.A. MoDo also markets its products via agents and distributors in many other countries.
The average number of employees in 1995 was 9,707.



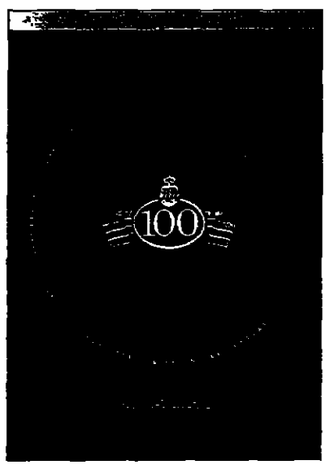
NESTE 8

Neste's strengths lie in the oil, chemicals, and energy sectors. The Group is divided into four divisions: Exploration & Production, Oil, Energy, and Chemicals. Neste also incorporates Neste Engineering and Corporate Technology.
Oil refining, marketing, international trading, lubricants, and shipping operations form an integrated oil chain. Neste operates two refineries in Finland, one in Naantali and one in Porvoo. The Energy Division includes natural gas business, LPG (liquefied petroleum gas) business, solar panel applications as well as a unit generating district heat and steam. The Chemicals Division is engaged in the development, manufacture, and marketing of chemicals products and polymers, especially intermediates, adhesive resins, and coatings.
Neste's net sales in 1994 totalled FIM 43.3 billion.
The Baltic Sea region countries make up the core market area for Neste's oil business. The Group has production facilities in 11 countries, and it is present in a total of 30 countries.



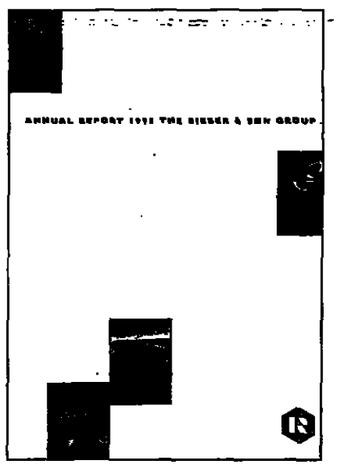
OUTOKUMPU 9

"Outokumpu is a versatile metals group operating worldwide. Employing some 14,000 people in 30 countries around the world, the Outokumpu Group had net sales of USD 3,88 billion in 1995.
Characterized by long production chains from mining to fabrication in several metals, Outokumpu is organized into four business areas: Base Metals, Stainless Steel, Copper Products and Technology. In all our operations, we emphasize customer service, shareholder value and responsibility for the environment.
The shares Outokumpu Oy, the parent company of the Group, are listed on the Helsinki Stock Exchange and also traded in SEAQ International in London."
Outokumpu Oy, Corporate Communications
PO Box 280, FIN-02101 Espoo, Finland: fax. +358 0 421 2429



RAUFAUSS 10

The 100 years old Raufoss Concern (RA) is one of the European defence operations which has worked longest and with most success in developing civilian business.
The main markets are within defence, automotive industry and building industry.
About 75% of the total turnover in 1995 are civilian products.
In 1995, the Raufoss Concern had an operational turnover of NOK 2549 million, an increase of NOK 450 million (21%) compared with 1994.
Turnover growth dominated RAs automotive operations during 1995. Further internationalization of the daughter companies in the concern strengthened the market position and brought new customers in 1995.



RIEBER & SØN 11

Rieber & Søn ASA is registered on the Norwegian stock exchange, with its head office situated in Bergen. The group had a turnover of NOK 4,6 billion in 1995 and an operating result of NOK 412 million.
The Rieber & Søn group consists of 4 main business activities:
Foods: Toro (including the following: Denja, Dacapo, Mindo Skjokolade Panda)
Rimco
Vitana a.s.
Packaging: Nompapp, Beyer-Hecos and Riflex Folie
Roads: Nordeal Vei and Nor-Skilt
Building materials: Neumann Bygg, Rieber Stål and Skifer & Natursteln.



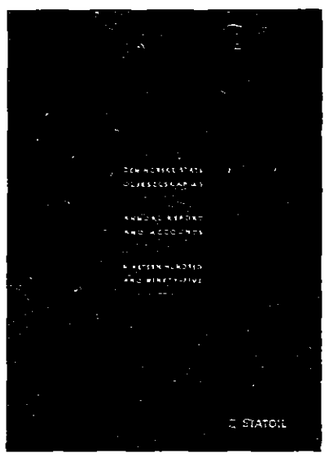
SCA 12

SCA is an integrated paper and packaging company with Europe as its primary market. The company conducts operations in hygiene products, packaging and graphic paper. SCA owns 1.8 million hectares of productive forest land and is Europe's foremost user of recycled paper. SCA has about 33,000 employees in more than 20 countries. The share is listed on the stock exchanges in Stockholm and London and is available in the form of ADRs (American Depositary Receipts) in the U.S.
SCA in brief: Net sales SEK 65,317 M (53,676). Earnings after financial net SEK 5,731 M (1,060). Earnings per share after tax SEK 17.59 (2.94).



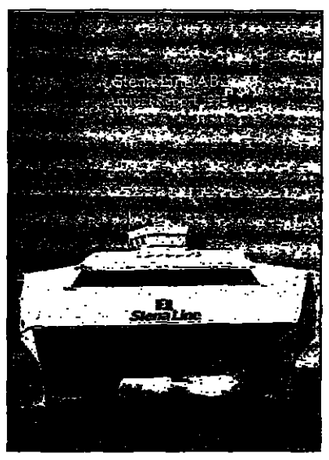
SKANSKA AB 13

The Skanska Group is continuing its international expansion. More than 50 percent of the order backlog now originates in markets outside Sweden. Skanska's position as the leading Swedish construction company was strengthened by several major infrastructure projects, topped by the Oresund Bridge.
The year-end book value of the Group's total property holdings was SEK 21.5 billion. *Skanska continued the task of restructuring its holdings and was instrumental in estab*lishing Sweden's first specialized hotel property company, Pandox.
The Group's adjusted equity/assets ratio rose to 37 percent. The year-end market value of its stock portfolio amounted to SEK 12.5 billion.



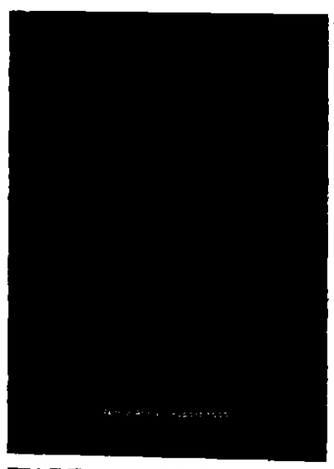
STATOIL 14

The Statoil group achieved a net profit of NOK 5.3 billion for 1995 - the second highest result in its history. Net profit the year before totalled NOK 5.4 billion.
Operating profit came to NOK 13.4 billion as against NOK 14.7 billion in 1994.
Investment by the group set a new record in 1995 at NOK 17.5 billion, up by NOK 5.5 billion from the year before. Sixty-five per cent of this spending took place in Norway, *primarily on the Norwegian continental shelf.*
Statoil's production and transport systems operated well and achieved high regularity during 1995. Measure to improve recovery made a positive contribution and limited the expected decline in production. Average daily supplies of equity oil fell from 449000 barrels in 1994 to 424000 barrels.
The Statoil group had 13850 employees at 31 December 1995.



STENA LINE 15

Stena Line is the world's largest ferry company for international ferry traffic. The Group's route network consists of 15 well-positioned ferry routes in the business area of the Kattegatt, Skagerak, English Channel and the Irish Sea.
Nearly 15 million passengers, 2.7 million private cars and 930,000 lorries, trailers, containers and railway carriages are transported every year on the Group's ferries.
Group turnover amounted to SEK 9,436 million during 1995 and the profit, after net financial items, was SEK 201 million.



TAMRO GROUP 16

Tamro as a North-European public company has a leading position in distributing health care products and in marketing hospital and laboratory products in the Nordic countries, Baltic states and St. Petersburg. The Group is also one of the major producers of disposable hospital textiles in Europe.
The most characteristic feature during Tamro's centennial year 1995 was the strong expansion of the core business into other Nordic countries, especially Sweden. Tamro Corporation acquired ADA AB, the most predominant distributor of pharmaceuticals in the Nordic countries. In 1995, net sales of the Group were FIM 10.7 billion, of which 67% outside Finland, and the number of employees was 2,098. The Tamro shares are quoted on the Helsinki Stock Exchange.

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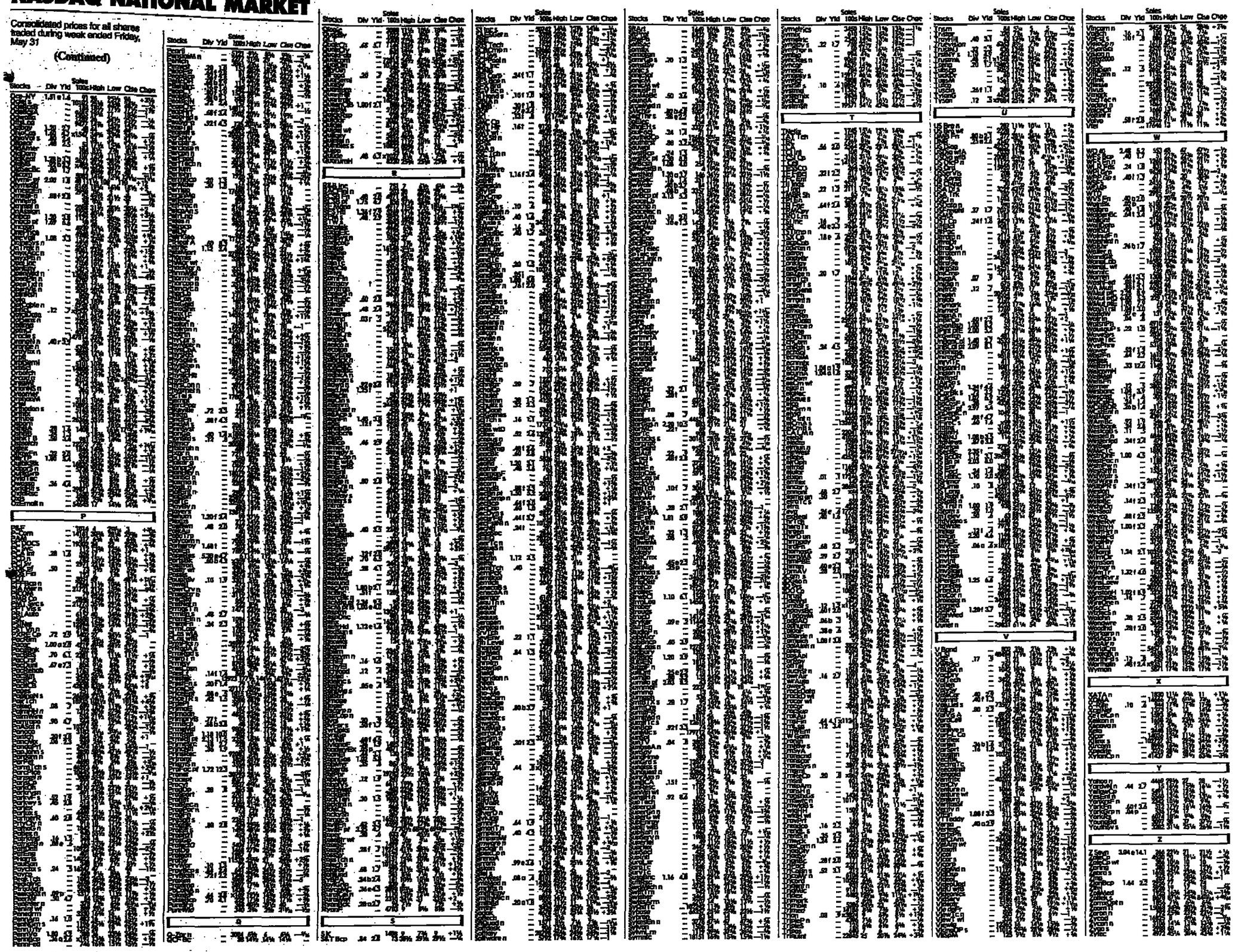
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, May 31

(Continued)

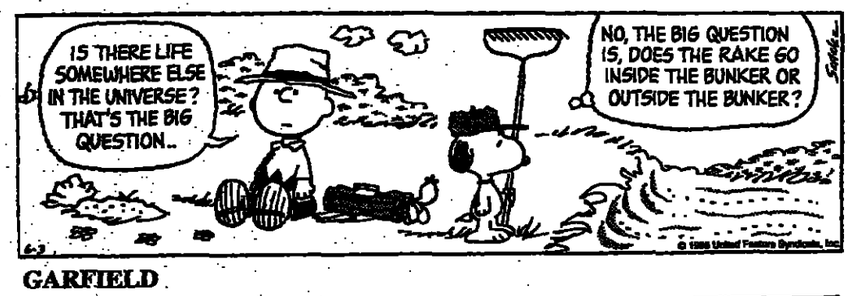


DENNIS THE MENACE



"HE'S NOT AS LITTLE AS MY GRANDPA WAS. GRANDPA SAYS HE WAS ONCE KNEE-HIGH TO A GRASSHOPPER."

PEANUTS



GARFIELD



BEETLE BAILEY



BLONDIE



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OMBUG

PRUCO

GYNHID

PICTES



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

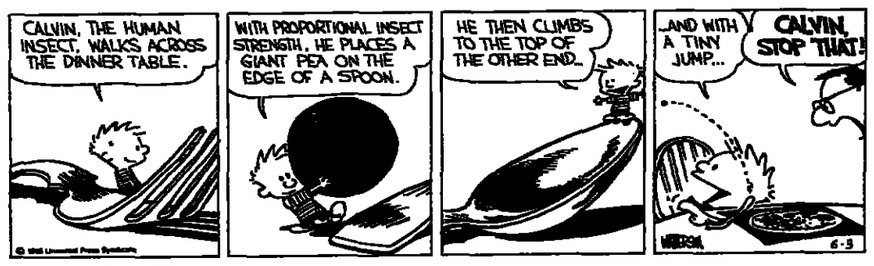
Answer here : BY

(Answers tomorrow)

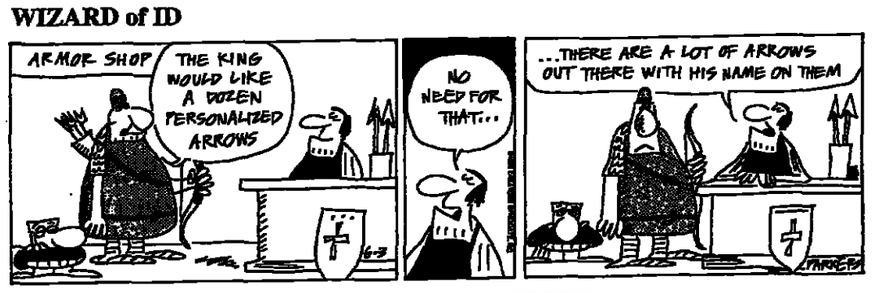
Saturday's Jumbles: BEFOG LAPEL VALUED PARDON
Answer: When the animal trainer considered the stock goal — UNFLAPPABLE

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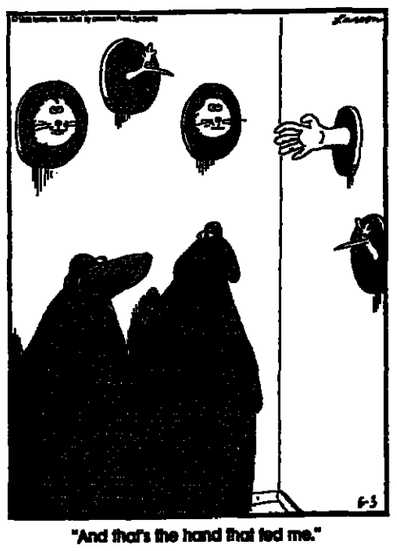
CALVIN AND HOBBES



WIZARD of ID



THE FAR SIDE



"And that's the hand that fed me."

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THE WORLD'S DAILY NEWSPAPER

SPORTS

Good for the Game, Touchy for Diplomacy

Daunting Task for Cup Co-Hosts

By Rob Hughes
International Herald Tribune

LONDON — The decision that Japan and South Korea will co-host the 2002 World Cup is a wonderful opportunity for sport, a delicate challenge to diplomacy.

If all goes well, soccer could help to soothe relationships between neighbors who remain on the edge of suspicion. If there are squabbles about the division of games, the allocation of opening and closing games and ceremonies, the security, the anthems, it could exacerbate cultural and commercial differences.

FIFA, the governing body of world soccer, has created a working party to broker the joint hosting. It is headed by vice presidents Guillermo Canedo of Mexico and Antonio Matarrese of Italy and the general secretary, Sepp Blatter of Switzerland. Worldly gentlemen they may be, but they and their experts in international law, sport and finance will need the wisdom of Job to keep, never mind enhance, the peace.

The prize is fantastic. Asia's economic super-powers, united in leading soccer into the next millennium, showing us all no doubt the future of sport in technological settings even the West will struggle to match.

I have seen some of that future in both countries, and the prospect of a "bridge" between Hiroshima and perhaps even Pyongyang if North and South Korea unite is worth every gamble and compromise the officials may have to make.

First, the teams of politicians and sportsmen who spent so much ($100 million between them) on rivalry must return home with half a loaf baked in Zurich and persuade their people they have gained more than they lost.

"It will not be easy," said Song Young-Shik, general secretary of Korea's bid. "Expectations back home were so inflamed."

In Seoul, and in Tokyo, leaders must explain, the truth being that neither side was so confident of victory they dared refuse co-hosting.

Japan, which had a five year start in the bidding process and the support of FIFA president Joao Havelange, backed down only on the eve of the vote Saturday of FIFA's 21-member executive committee. Barely one week before, on May 24, Prime Minister Ryutaro Hashimoto of Japan had pronounced that sharing was not an option.

That same day, Havelange had repeated that as long as he remained president the FIFA rules would not allow co-hosting.

Last week, Japan accepted that FIFA itself was divided. The trust it placed in the president had turned into a potential defeat.

Meanwhile Havelange's friends, among them Juan Antonio Samaranch, president of the International Olympic Committee, finally persuaded him that he stood to lose face perhaps even to lose office.

He snatched "victory" from the jaws of humiliating defeat. On Wednesday, at a party to celebrate his recent 80th birthday, Havelange played father to the executive committee's wishes.

"When you have a fever," he declared, "you use a thermometer to take the temperature. I felt I had to cure this fever and I proposed co-hosting of the 2002 World Cup."

The members broke into spontaneous applause, which to Havelange's ears reflected glorious endorsement of his leadership. Sitting in front of the media on Friday, the gold World Cup trophy in front of him, a bottle of Coca Cola to his right, an Adidas ball to the left, he announced this "unanimous" approval to his proposal.

The fact that that morning his proposals over television and marketing contracts covering 2002 and 2006 had been overturned, and bids would now go before the executive and finance committees, did not in any way convince Havelange that his cures were less than wholeheartedly accepted.

But Lennart Johansson, the head of UEFA, the governing body of European soccer, who is to challenge for the presidency Havelange has held for 22 years, declared Friday as the dawning of democracy.

"We have demonstrated within the executive committee we are free to have our opinion," Johansson said. "It took four or five attempts, but finally the president changed his mind. We have acted according to our conscience and this is the way it should be."

Koreans and Japanese now have a lead to follow. Mong-Joon Chung and Ken Naganuma, respective heads of Korea and Japanese soccer, pledged their best attempts for what Chung described as "this first World Cup of the 21st century" becoming a catalyst to world peace.

FIFA, Asia and the world in peaceful harmony. What a day.

Rob Hughes is on the staff of the London Times.

■ U.S. to Host Women's Cup

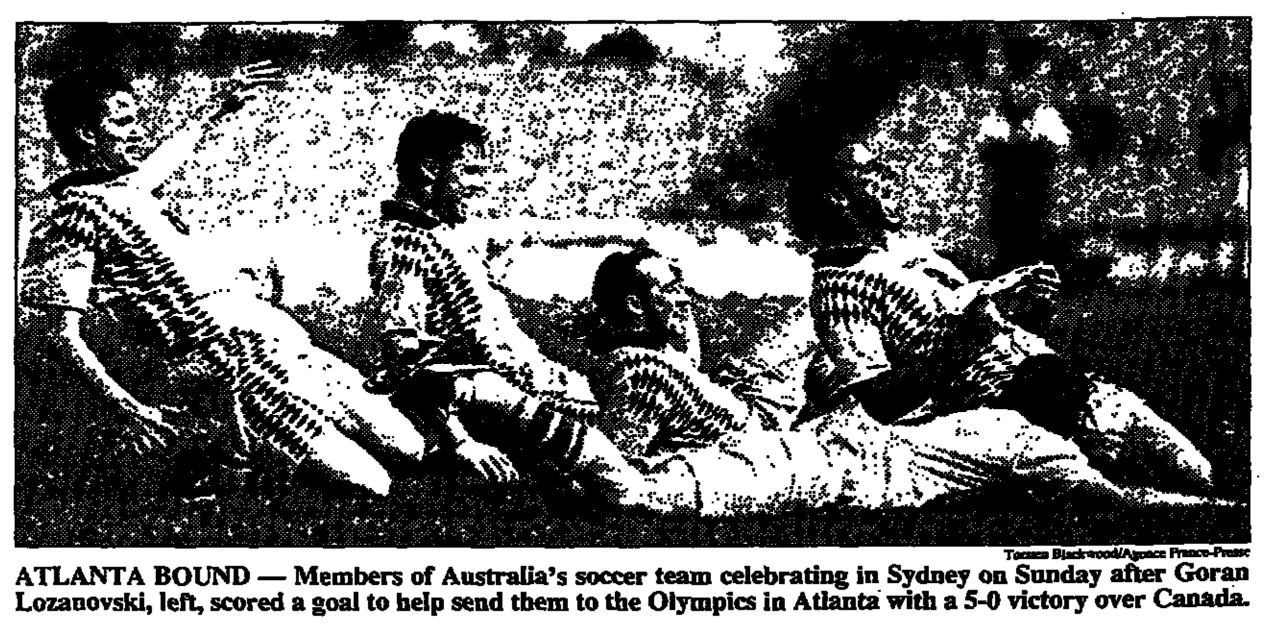
The United States was awarded the right to stage the third FIFA Women's World Cup. It will be played in five East Coast cities in June and July of 1999, the Los Angeles Times reported.

Australia and Chile also had expressed interest in staging the 1999 tournament, but backed out once the U.S. bid was announced.

The competition will be played in a single time zone, at FIFA's request. Sixteen teams, including the United States as host and Norway as defending champion, will take part.

Cities being considered include Allentown, Pennsylvania; Boston; Buffalo; Davidson and Greensboro, both North Carolina; Newark, Delaware; New Britain, Connecticut; New Brunswick, New Jersey and Richmond, Virginia.

The championship final is expected to be played at RFK Stadium in Washington.



Tasman Blackwood/Agence France-Presse

ATLANTA BOUND — Members of Australia's soccer team celebrating in Sydney on Sunday after Goran Lozanovski, left, scored a goal to help send them to the Olympics in Atlanta with a 5-0 victory over Canada.

Most Warm-Up Action is Off the Field

Compiled by Our Staff From Dispatches

The most ferocious action on a weekend of warm-ups for the European soccer championships took place off the field.

In Germany, Lothar Matthäus, the former national captain, again lashed out at Jürgen Klinsmann, his Bayern Munich clubmate, and Bertie Vogts, the national coach.

Matthäus called Klinsmann "Sonny boy" and said: "I was captain. I once dealt directly with the national trainer. I was the most important link to the German soccer federation, but these positions have been usurped by Klinsmann during my break to recover from injuries."

In England, pressure grew for members of the national team to be punished for misbehaving on a Cathay Pacific Airways flight back from an Asian tour. The airline said team members caused £5,000 ($7,760) of damage.

In warm-up games for Euro '96 on Sunday, Niall Quinn scored in the 89th minute as Ireland, which is not going to the tournament, held Croatia, one of the favorites, to a 2-2 tie in Dublin. Davor Suker and Zvonomir Boban scored for Croatia.

Denmark beat Ghana, 1-0, on a goal by Thomas Helveg. Bulgaria beat United Arab Emirates, 4-1.

In Stuttgart on Saturday, Laurent Blanc scored with a diving header to give France a 1-0 victory over Germany, extending its unbeaten run to 22 games.

In Bucharest, Gheorghe Popescu scored twice in three minutes in the first half as Romania cruised to a 3-1 victory over Moldova. Italy beat Hungary, 2-0, in Budapest.

Two goals from Pavel Kuka gave the Czech Republic a 2-1 victory over Switzerland.

WORLD SOCCER

WORLD CUP Sweden started its campaign for a place in the 1998 World Cup by hammering Belarus, 5-1, in European group four.

Eric Tinkler, who has been signed by Cagliari in Italy's Serie A, gave South Africa, the African champions, a 1-0 victory over Malawi in its World Cup first round qualifying match in Blantyre.

Despite the presence of George Weah, the world player of the year, Liberia lost 2-1 to Gambia in Banjul in another World Cup qualifier.

UNITED STATES In a meeting of Major League Soccer's two divisional leaders on Saturday, Harut Karapetyan scored 14 minutes into the second half to give the Los Angeles Galaxy a 2-1 victory in Tampa Bay.

In Columbus, Bo Oshoniyi, the Crew goalkeeper, gave away a penalty kick in the tie-breaking shootout when he tripped Missael Espinoza of the San Jose Clash. Espinoza scored from the penalty to give the Clash a victory. The game had finished tied at 2-2.

The game drew 16,077 fans, taking the league past the 1 million mark well before the preseason projection of the first week of July.

In Kansas City, Mo Johnston scored with a header from five yards in the 89th minute as the Kansas City Wiz came from behind to beat the New England Revolution 2-1.

AUSTRIA Rapid Vienna beat visiting Sturm Graz, 2-0, on Saturday to clinch its 30th league title.

Roman Pivarnik put Rapid in the lead with a header from Peter Stöger's pass in the seventh minute. Christian Stumpf sealed Rapid's first championship for eight years when he headed the second with three minutes left. *AP, Reuters*

Nobilo Bests Montgomerie By 1 Stroke In European

Reuters

HAMBURG — Frank Nobilo shot a final round of 64 on Sunday to win the European Tournament Players' championship by one shot.

The New Zealander held off Colin Montgomerie, who hit a six-under par 66 to finish second.

Nobilo had already finished at 270 — 18 under par — when Montgomerie came to the 449-yard (410-meter) 18th hole needing an double eagle to tie.

"I hit a great drive and had 172 yards to the pin," Montgomerie said. "So I launched an eight iron at the flag and it was right on line but it stopped very quickly, 12 feet short. I knocked in the putt but it was just one too many."

Nobilo won $185,000.

Montgomerie, a Scot, had begun the day in joint third place with Nobilo joint seventh one shot further back. The round quickly developed into a duel between the New Zealander and the Scot.

Nobilo hit four birdies and a triple eagle in his first eight holes to take a two-shot lead. Montgomerie birdied five of the first 10. After Nobilo bogeyed the 12th and 14th, Montgomerie led. But he bogeyed the 14th while Nobilo birdied the 15th to take the lead for good.

Wales Is Pummeled By Australian State

Reuters

Joe Roff, a winger, scored four tries as Australian Capital Territory crushed Wales, 69-30, Sunday in the second match of Wales's rugby union tour of Australia.

The Australian team scored 10 tries to Wales's four.

Roff was later picked for the Australian national team, which faces Wales on June 8. He will switch to the center, replacing Jason Little, who has a broken collar bone.

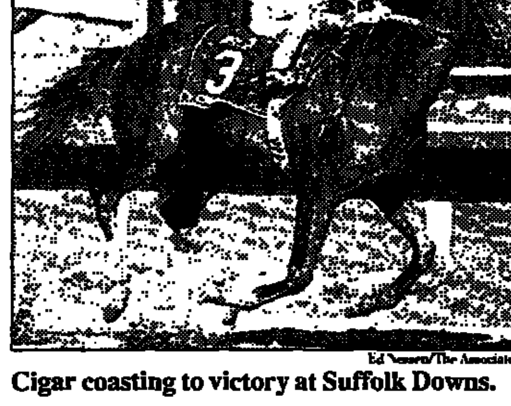
David Campese, who set up two tries as New South Wales beat Queensland on Saturday, 29-25, was selected for the national team for the 93d time.

The selectors have dropped nine players who started Australia's last international — against New Zealand in the Bledisloe Cup in August 1995. Three players, all forwards, will make their debut on the Australian national team, against France. The three are Owen Finegan, a flanker, Marco Caputo, a hooker, and Richard Harry, a prop.

• Toulouse scored a try and a drop goal in the closing minutes to come from behind and beat Brive, 20-13, on Saturday. It was Toulouse's third successive French title.

The European club champion was losing 12-13 with nine minutes to go but David Berty, a winger, scored a try to put Toulouse ahead. Thomas Castaignede dropped a goal to ensure victory.

Cigar Closes In on Citation's Historic Streak



Ed Nessen/The Associated Press

Cigar coasting to victory at Suffolk Downs.

By Andrew Beyer
Washington Post Service

BOSTON — Cigar scored his 15th consecutive victory by winning the Massachusetts Handicap against five overmatched rivals at Suffolk Downs, taking him within one race of the 16-straight-victory record set by Citation.

Although the performance on Saturday was a routine one, by his lofty standards, the excitement he stirred was anything but ordinary. The six-year-old demonstrated that he had become thoroughbred racing's most charismatic performer in at least a decade.

His presence drew 22,169 people to a track where a normal Saturday crowd might consist of 5,000. They lined up five-deep at the rail to applaud Cigar as he walked from the stable area to the paddock and they massed around the periphery of the paddock to get a closer look at him. Thousands watched and roared as Cigar crossed the finish line 2¼ lengths in front of runner-up Personal Merit.

"You don't see this kind of enthusiasm on a day-to-day basis," said Cigar's trainer, Bill Mott. "This was special."

• On Sunday in Chantilly, France, Ragmar survived an objection and a steward's inquiry to win the French Derby, Reuters reported.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

	W	L	Pct.	GB
EAST DIVISION				
New York	30	21	.588	—
Baltimore	28	23	.549	2
Toronto	25	29	.463	6½
Boston	22	31	.415	9
Detroit	13	41	.241	18½
CENTRAL DIVISION				
Cleveland	35	18	.660	—
Chicago	32	20	.615	2½
Milwaukee	24	28	.462	10½
Minnesota	24	28	.462	10½
Kansas City	24	31	.436	12
WEST DIVISION				
Texas	34	20	.630	—
Seattle	28	25	.528	5½
California	27	26	.509	6½
Oakland	24	29	.453	9½

NATIONAL LEAGUE

	W	L	Pct.	GB
EAST DIVISION				
Atlanta	35	18	.660	—
Montreal	32	23	.582	4
Florida	27	28	.491	9
Philadelphia	26	27	.491	9
New York	23	30	.434	12
CENTRAL DIVISION				
Houston	27	29	.482	—
St. Louis	25	29	.463	1
Chicago	23	31	.426	3
Cincinnati	20	28	.417	3
Pittsburgh	21	33	.389	5
WEST DIVISION				
San Diego	35	20	.636	—
Los Angeles	29	27	.518	6½
Colorado	26	25	.510	7
San Francisco	26	27	.491	8

FRIDAY'S LINE SCORES
AMERICAN LEAGUE

Kansas City 110 000 000—2 7 0
Toronto 000 103 00x—4 9 0
Gubicza, Valera (7), Jacome (7), Pugh (7) and Fasano; Hentgen, Timlin (9) and Martinez. W—Hentgen, 5-4. L—Gubicza, 4-7. Sv—Timlin (10). HR—Toronto, Carter (11).

Detroit 000 000 000—0 6 4
Chicago 032 380 10x—9 15 0
Lira, Lewis (4), Scanlan (6), Olson (8) and Casanova; Tapani, Keyser (9) and Karkovice. W—Tapani, 6-3. L—Lira, 3-4. HRs—Chicago, Martinez (4), Tartabull (5).

Minnesota 011 000 000—2 7 1
Texas 016 000 00x—7 10 1
FRodriguez, Aldred (3), Bennett (8) and Myers; Hill, Cook (8), Russell (8) and IRodriguez. W—Hill, 7-3. L—FRodriguez, 3-6.

Cleveland 021 110 410—10 18 1
Milwaukee 003 000 010—4 10 5
Martinez, Tavarez (8), Poole (9) and Pena; McDonald, Potts (7), Boze (7), Burrows (8) and Matheny. W—Martinez, 8-2. L—McDonald, 4-3. HR—Cleveland, Ramirez (11).

New York 000 001 120—4 9 0
Oakland 010 000 000—1 3 1
Key, MRivera (7), Wetteland (9) and Girardi; Johns, Taylor (7), Groom (8), Corsi (8), Van Poppel (9) and Steinbach. W—Key, 2-5. L—Johns, 4-6. Sv—Wetteland (10). HRs—New York, O'Neill (6), RRivera (1).

Boston 102 200 001—6 12 0
Seattle 001 040 40x—9 8 0
Eshelman, Garces (6), Slocumb (7) and Stanley; Menhart, Wells (4), Charlton (9) and Wilson. W—Wells, 4-1. L—Garces, 0-2. HRs—Boston, Hosey (1), Vaughn (20), Stanley (5). Seattle, Rodriguez (18), Griffey Jr (18).

Baltimore 010 002 000—3 9 0
California 050 500 00x—10 12 1
Wells, Corbin (4), Mills (8) and Hoiles. Langston, McElroy (6), Eichhorn (8), James (9) and Slaught. W—Langston, 3-1. L—Wells, 3-5. HRs—California, Hudler (10), Salmon (7).

NATIONAL LEAGUE

Chicago 000 001 100—2 4 0
Florida 010 000 000—1 7 0
Navarro and Servais; Rapp, Mathews (8), Nen (9) and Johnson. W—Navarro, 3-6. L—Rapp, 3-6. HR—Chicago, McRae (3).

Colorado 010 000 030—4 6 3
Pittsburgh 121 010 03x—8 13 1
Reynoso, Farmer (5), Habyan (8), Munoz (8) and Owens; Neagle, Plesac (8), Cordova (8) and Kendall. W—Neagle, 7-2. L—Reynoso, 3-4. Sv—Cordova (4). HRs—Colorado, Burks (12), Galarraga (14). Pittsburgh, King (12), Merced (7).

Atlanta 031 002 111—9 15 0
Cincinnati 000 000 010—1 5 0
Avery, Clontz (8) and Perez; Schourek, Carrasco (6), Smith (8), Moore (9) and Oliver. W—Avery, 6-4. L—Schourek, 4-4. HRs—Atlanta, McGriff 2 (14), Perez 2 (3), Blauser (7), Dye (2).

San Diego 202 000 000—4 7 1
Philadelphia 000 020 000—2 3 1
Ashby, Hoffman (9) and Johnson; Mulholland, Blazier (5), Leiper (7), Springer (7) and Lieberthal. W—Ashby, 7-2. L—Mulholland, 5-4. Sv—Hoffman (11).

Los Angeles 031 500 010—10 16 1
New York 000 010 200—3 7 0
Martinez, Guthrie (8), Eischen (9) and Piazza, Prince (7); Jones, Minor (4), DiPoto (6), MacDonald (8) and Hundley. W—Martinez, 4-0. L—Jones, 5-2. HRs—Los Angeles, Piazza (14), Karros (9), Blowers (2).

Houston 000 000 310—4 8 1
St. Louis 200 010 30x—6 9 0
Drabek, Young (6), Swindell (7) and Knorr; Osborne, Matthews (8), Fossas (9) and Pagnozzi. W—Osborne, 4-3. L—Swindell, 0-3. Sv—Fossas (1). HRs—Houston, Hunter (2). St. Louis, Alicea (3).

San Francisco 200 000 200—4 13 0
Montreal 010 001 41x—7 13 0
Gardner, Dewey (7), Creek (7), DeLucia (7), Juden (8) and Manwaring, Lampkin (8); Cormier, Dool (7), Scott (8), Rojas (9), Veres (9) and Fletcher. W—Dool, 1-2. L—DeLucia, 1-1. Sv—Veres (2). HR—Montreal, Rodriguez (20).

SATURDAY'S LINE SCORES
AMERICAN LEAGUE

Cleveland 000 001 000—1 7 1
Milwaukee 000 000 20x—2 6 0
McDowell and Alomar; Miranda, Garcia (6), Lloyd (8), Fetters (8) and Levis. W—Garcia, 1-1. L—McDowell, 5-4. Sv—Fetters (8).

Kansas City 000 002 100 0—3 11 1
Toronto 010 000 011 2—5 10 0
Haney, Pichardo (8), Jacome (8), Montgomery (9) and Macfarlane; Quantrill, Castillo (7), Crabtree (10) and O'Brien, Martinez (10). W—Crabtree, 2-1. L—Montgomery, 2-1. HR—Toronto, Carter (12), Olerud (10). Kansas City, Damon (4).

Boston 010 041 000—6 9 0
Seattle 101 001 020—5 8 1
Wakefield, Stanton (7), Slocumb (8) and Stanley; Milacki, Guetterman (6), M. Jackson (7), Carmona (9) and Marzano. W—Wakefield, 4-5. L—Milacki, 1-2. Sv—Slocumb (8). HR—Seattle, Buhner (19), R. Davis (5). Boston, M. Vaughn (21), Naehring (6).

New York 000 040 002—6 10 0
Oakland 010 011 000—3 10 0
Pettitte, Wickman (6), J.Nelson (8), Howe (8), Wetteland (9) and Leyritz; Chouinard, Reyes (6), Mohler (9) and Steinbach. W—Pettitte, 8-3. L—Chouinard, 0-2. Sv—Wetteland (11). HRs—Oakland, Young (7).

Minnesota 102 000 006—9 15 0
Texas 000 000 050—5 13 0
Radke, Guardado (8), Naulty (8), Milchin (8), Hansell (9) and Myers; Pavlik, Henneman (9) and Rodriguez. W—Milchin, 2-1. L—Henneman, 0-3. HRs—Minnesota, Molitor (3). Texas, Clark (6), Greer (5).

Baltimore 000 030 000—3 7 1
California 008 000 00x—8 13 0
Haynes, Krivda (3) and Zaun; Boskie, James (9) and Slaught. W—Boskie, 7-1. L—Haynes, 2-5. HR—California, DiSarcina, (1).

NATIONAL LEAGUE

Atlanta 000 100 100—2 6 2
Cincinnati 300 000 00x—3 8 0
Maddux and Lopez; Portugal, Shaw (8), Brantley (9) and Taubensee. W—Portugal, 1-4. L—Maddux, 5-4. Sv—Brantley (12). HRs—Atlanta, McGriff (15), Lopez (8).

Los Angeles 200 100 000—3 5 0
New York 002 002 00x—4 7 1
Candiotti, Park (7) and Piazza; Harnisch, D. Henry (8), Franco (9) and Mayne. W—Harnisch, 4-3. L—Candiotti, 3-5. Sv—Franco (11). HR—Los Angeles, Blowers (3).

San Diego 003 014 000—8 10 0
Philadelphia 000 110 100—3 9 2
Bergman, Blair (6), Worrell (7) and Johnson; Mimbs, Borland (6), Leiper (6), Blazier (8) and Lieberthal. W—Bergman, 3-5. L—Mimbs, 0-3. HRs—San Diego, Finley (7), Caminiti (6). Philadelphia, Murray (1).

Colorado 002 000 000—2 3 0
Pittsburgh 000 000 000—0 9 1
Ritz, S. Reed (7), Painter (8), Ruffin (8) and J. Reed, Owens (8); Wagner, Wilkins (8), Christiansen (8), Miceli (8) and Kendall. W—Ritz, 6-4. L—Wagner, 4-5. Sv—Ruffin (7).

San Francisco 000 000 010—1 5 0
Montreal 020 000 03x—5 7 0
Fernandez and Manwaring; Fassero, Dyer (8) and Webster. W—Fassero, 4-5. L—Fernandez, 3-4. Sv—Dyer. HR—Montreal, Santangelo (2).

Chicago 000 000 040 1—5 7 0
Florida 010 110 010 0—4 11 2
Castillo, Perez (6), Myers (7), Wendell (8) and Servais; Leiter, Nen (8), Mathews (10) and Johnson. W—Wendell, 4-1. L—Mathews, 1-1. HRs—Chicago, Sandberg (11), Servais (9). Florida, Conine (10), Johnson (9).

Houston 100 200 001 0—4 11 1
St. Louis 000 000 022 1—5 12 0
Reynolds, Hartgraves (7), Jones (8), Morman (10), Hernandez (10) and Wilkins; An. Benes, Honeycutt (7), Parrett (8), Bailey (10) and Pagnozzi. W—Bailey, 3-1. L—Hernandez, 0-2. HRs—Houston, Berry (5). St. Louis, Pagnozzi (4), Alicea (4).

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	28	18	0	.609	—
Chunichi	25	19	0	.568	2
Yomiuri	25	21	0	.543	3
Yakult	24	23	0	.511	4½
Yokohama	22	26	0	.458	7
Hanshin	15	32	0	.319	13½

SATURDAY'S RESULTS
Yakult 9, Hanshin 0
Hiroshima 3, Yokohama 2
Yomiuri 6, Chunichi 3

SUNDAY'S RESULTS
Hiroshima 10, Yokohama 8
Yomiuri 2, Chunichi 1
Yakult 6, Hanshin 4

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	28	20	1	.582	—
Orix	27	22	1	.550	1½
Kintetsu	26	22	0	.542	2
Lotte	25	25	1	.500	4
Seibu	22	25	2	.469	5½
Daiei	16	30	1	.351	11

SATURDAY'S RESULTS
Nippon Ham 5, Daiei 1
Lotte 6, Orix 3
Kintetsu 12, Seibu 9

SUNDAY'S RESULTS
Daiei 7, Nippon Ham 1
Lotte 4, Orix 2
Seibu 10, Kintetsu 9, 10 innings

COLLEGE WORLD SERIES

FRIDAY'S RESULTS
Alabama 7, Oklahoma State 5
Miami 7, Clemson 3

SATURDAY'S RESULTS
Florida 5, Florida State 2
LSU 9, Wichita State 8

HOCKEY

NHL PLAYOFFS

CONFERENCE FINALS
(BEST-OF-7)
SATURDAY'S RESULT

Florida 1 0 2—3
Pittsburgh 0 0 1—1
First Period: F-Hough 4 (Svehla, Skrudland) Second Period: None. Third Period: P-Nedved 10 (Lemieux, Jagr) (pp). 3, F-Fitzgerald 3 (Murphy) 4, F-, Garpentov 4 (Lindsay, Carkner) Shots on goal: F- 12-7-9—28. P- 10-12-18—40. Goalies: F-Vanbiesbrouck. P-Barrasso.
(Florida wins series 4-3)

SOCCER

AUSTRIAN FIRST DIVISION
Rapid Vienna 2, Sturm Graz 0
FINAL STANDINGS: Rapid Vienna 73; Sturm Graz 67; FC Tirol Innsbruck 62; 62 GAK 57; Austria Vienna 51; Linzer ASK 48; SV Ried 47; SV Salzburg 44; Admira/Wacker 34; 34 Vorwaerts Steyr 6.

SPANISH FIRST DIVISION
RELEGATION PLAYOFF, SECOND LEG
Rayo Vallecano 2 Mallorca 0
(Rayo Vallecano win 2-1 on aggregate and remain in first division. Mallorca are relegated).

WORLD CUP QUALIFYING
EUROPE
GROUP FOUR
Sweden 5, Belarus 1
GROUP EIGHT
Iceland 1, Macedonia 1, tie
AFRICA
FIRST ROUND, FIRST LEG
Mauritania 0, Burkina Faso 0
Gambia 2, Liberia 1
Guinea Bissau 3, Guinea 2
South Africa 1, Malawi 0
Namibia 2, Mozambique 0
Angola 2, Uganda 0
Zaire 5, Mauritius 1
Burundi 1, Sierra Leone 0
Kenya 3, Algeria 1
Zimbabwe 2, Madagascar 1
Congo 2, Ivory Coast 0
Kenya 3, Algeria 1
Tunisia 3, Rwanda 1

MAJOR LEAGUE SOCCER
SATURDAY'S RESULTS
Los Angeles 2, Tampa Bay 1
Kansas City 2, New England 1
San Jose 3, Columbus 2, SO (2-1)
STANDINGS: Eastern Conference— Tampa Bay 18; Columbus 9; D.C. 9; New England 8; NY-NJ 5. Western Conference— Los Angeles 24; Dallas 14; San Jose 13; Kansas City 13; Colorado 12.

INTERNATIONAL FRIENDLIES
France 1, Germany 0
Italy 2, Hungary 0
Romania 3, Moldova 1
Czech Republic 2, Switzerland 1
Bulgaria 4, United Arab Emirates 1
Denmark 1, Ghana 0
Ireland 2, Croatia 2
Denmark 1, Ghana 0
Russia 2, Poland 0

TENNIS

FRENCH OPEN

THIRD ROUND
MEN'S SINGLES
FRIDAY'S LATE RESULTS
Jim Courier (7), United States, def. Karol Kucera, Slovakia, 6-7 (2-7), 7-5, 6-4, 5-4, ret; Wayne Ferreira (10), South Africa, def. Renzo Furlan, Italy, 6-7 (5-7), 7-5, 6-1, 7-5.
SATURDAY'S RESULTS
Marcelo Rios (9), Chile, def. Petr Korda, Czech Republic, 6-3, 6-3, 6-2; Michael Stich (15), Germany, def. Mikael Tillstrom, Sweden, 4-6, 6-0, 6-4, 7-6 (7-3); Marc Rosset (14), Switzerland, def. Jakob Hlasek, Switzerland, 6-4, 6-4, 6-1; Stefan Edberg, Sweden, def. Michael Chang (4), United States, 4-6, 7-5, 6-0, 7-6 (7-1).
Cedric Pioline, France, def. Alberto Berasategui, Spain, 4-6, 6-1, 6-4, 6-0; Goran Ivanisevic (5), Croatia, def. Bohdan Ulihrach, Czech Republic, 6-4, 6-2, 6-2; Bernd Karbacher, Germany, def. Paul Haarhuis, Netherlands, 4-6, 6-4, 6-2, 6-3; Thomas Muster (2), Austria, def. Adrian Voinea, Romania, 6-2, 5-2, ret.
WOMEN'S SINGLES
FRIDAY'S LATE RESULTS
Karina Habsudova, Slovakia, def. Martina Hingis (15), Switzerland, 4-6, 7-5, 6-4.
SATURDAY'S RESULTS
Steffi Graf (1), Germany, def. Petra Langrova, Czech Republic, 6-0, 1-0, ret; Iva Majoli (5), Croatia, def. Sandrine Testud, France, 4-6, 7-5, 6-4; Kimiko Date (7), Japan, def. Linda Wild, United States, 6-3, 7-5; Amanda Coetzer (14), South Africa, def. Natasha Zvereva, Belarus, 6-3, 3-6, 6-2.
Gala Leon Garcia, Spain, def. Barbara Paulus (16), Austria, 6-4, 2-6, 6-3; Mary Joe Fernandez (11), United States, def. Gloria Pizzichini, Italy, 6-2, 6-3; Conchita Martinez (3), Spain, def. Ann Grossman, United States, 6-2, 6-1; Lindsay Davenport (9), United States, def. Yayuk Basuki, Indonesia, 6-3, 6-2.
FOURTH ROUND
MEN'S SINGLES
SUNDAY'S RESULTS
Richard Krajicek (13), Netherlands, def. Jonas Bjorkman, Sweden, 6-3, 6-2, 6-4; Jim Courier (7), United States, def. Wayne Ferreira (10), South Africa, 4-6, 6-1, 6-3, 6-3; Yevgeny Kafelnikov (6), Russia, def. Francisco Clavet, Spain, 6-4, 6-3, 6-3; Pete Sampras (1), United States, def. Scott Draper, Australia, 6-4, 7-5, 6-2.
WOMEN'S SINGLES
SUNDAY'S RESULTS
Monica Seles (1), United States, def. Magdalena Maleeva (13), Bulgaria, 6-1, 6-1; Jana Novotna (10), Czech Republic, def. Irina Spirlea, Romania, 6-1, 7-5; Steffi Graf (1), Germany, def. Mary Joe Fernandez (11), United States, 6-1, 7-6 (9-7); Karina Habsudova, Slovakia, def. Anke Huber (6), Germany, 7-5, 6-3; Iva Majoli (5), Croatia, def. Gala Leon Garcia, Spain, 6-3, 6-1.
Lindsay Davenport (9), United States, def. Kimiko Date (7), Japan, 3-6, 6-4, 8-6; Arantxa Sanchez Vicario (4), Spain, def. Barbara Rittner, Germany, 6-3, 6-4.

CYCLING

TOUR OF ITALY

Leading results Saturday in the 14th stage of the Tour of Italy, 205 kilometers (127.1 miles) from Santuario di Vicoforte, Italy to Briancon, France: 1, Pascal Richard, Switzerland, Magliflio MG, 5 hours, 57 minutes, 48 seconds; 2, Claudio Chiappucci, Italy, Carrera, 43 seconds behind; 3, Abraham Olano, Spain, Mapei, 45 seconds; 4, Pascal Herve, France, Festina Lotus, same time; 5, Piotre Ugrumov, Latvia, Roslotto, s.t.; 6, Enrico Zaina, Italy, Carrera, s.t.; 7, Pavel Tonkov, Russia, Ceramiche Panaria, s.t.; 8, Davide Rebellin, Italy, Team Polti, 48 seconds; 9, Herman Buenahora, Colombia, Kelme, 55 seconds; 10, Eugeni Berzin, Russia, Gewiss, s.t.

Leading results Sunday in the 15th stage of the Tour of Italy cycling race, 224 kilometers (138.9 miles) from Briancon, France to Aosta, Italy:
1, Gianni Bugno, Italy, Magliflio MG-Technogym, 5 hours, 48 minutes, 6 seconds; 2, Francesco Casagrande, Italy, Saeco, same time; 3, Sergei Dusiamine, Russia, Ceramiche Refin-Mobili, s.t.; 4, Manuel Beltran, Spain, Mapei-GB, s.t.; 5, Alexei Sivakov, Russia, Roslotto-ZG Mobili, s.t.; 6, Carlo Finco, Italy, Magliflio MG-Technogym, 3 seconds behind; 7, Marco Milesi, Italy, Brescialat, 2:46 minutes; 8, Mariano Piccoli, Italy, Brescialat, s.t.; 9, Claudio Chiappucci, Italy, Carrera Blue Jeans, 2:52 minutes; 10, Stefano Faustini, Italy, AKI-Gipiemme, s.t.
OVERALL STANDINGS: 1, Tonkov, Russia, 67 hours, 10 minutes, 55 seconds; 2, Ugrumov, Latvia, 20 seconds behind; 3, Zaina, Italy, 38 seconds; 4, Rebellin, Italy, 44 seconds; 5, Ivan Gotti, Italy, 1:14 minutes; 6, Stefano Faustini, Italy, 1:15 minutes; 7, Olano, Spain, 1:27 minutes; 8, Berzin, Russia, 1:41 minutes; 9, Buenahora, Colombia, 1:58 minutes; 10, Chiappucci, Italy, 2:00 minutes.

GOLF

DEUTSCHE BANK OPEN

Leading final scores Sunday in the dirs 1.1 million Deutsche Bank Open on the 7,029-yard, par-72 Gut Kaden course:

F. Nobilo, N. Zealand	65-69-72-64—270
Montgomerie, Scotland	71-65-69-66—271
D. Clarke, N. Ireland	70-67-67-70—274
J. Spence, England	68-69-70-68—275
R. Goosen, S. Africa	68-67-70-70—275
P. Mitchell, England	69-70-71-65—275
R. Allenby, Australia	66-70-69-71—276
W. Riley, Australia	67-71-71-67—276
S. Ames, Trinidad	68-68-71-69—276
P. McGinley, Ireland	68-71-68-69—276
F. Valera, Spain	68-70-70-66—276
S. Ballesteros, Spain	70-70-66-71—277

AUTO RACING

SPANISH GRAND PRIX

Leading results Sunday of the Spanish Grand Prix, 65 laps of the Circuit de Catalunya, 307.255 kilometers (190.926 miles): 1, Michael Schumacher, Germany, Ferrari, 65 laps, 1 hours, 59 minutes 49.307 seconds, 153.785 kph (95.58 mph); 2, Jean Alesi, France, Benetton-Renault, 65 laps; 3, Jacques Villeneuve, Canada, Williams-Renault, 65; 4, Heinz-Harald Frentzen, Germany, Sauber-Ford, 64; 5, Mika Hakkinen, Finland, McLaren-Mercedes, 64; 6, Pedro Diniz, Brazil, Ligier-Mugen-Honda, 63.
DRIVERS' STANDINGS: 1, Damon Hill, Britain, 43 points; 2, Schumacher, 26; 2, (tie) Villeneuve, 26; 4, Alesi, 17; 5, Olivier Panis, France, 11; 6, David Coulthard, Britain, 10; 7, Eddie Irvine, Britain, 9; 8, Hakkinen, 8; 9, Berger, 7; 9, (tie), Barrichello, 7.
CONSTRUCTORS' STANDINGS: 1, Williams-Renault, 69 points; 2, Ferrari, 35; 3, Benetton-Renault, 24; 4, McLaren Mercedes, 18; 5, Ligier Mugen Honda, 12; 6, Sauber-Ford, 10; 7, Jordan Peugeot, 8; 8, Tyrrell Yamaha, 5; 9, Footwork Hart, 1.

RUGBY

RUGBY UNION
Australian Capital Territory 69, Wales 30
New South Wales 29, Queensland 25

FRENCH CHAMPIONSHIP FINAL
Toulouse 20, Brive 13
RUGBY LEAGUE
Wigan 40, Leeds 20

FOOTBALL

WORLD LEAGUE STANDINGS

	W	L	Pct.	PF	PA
x-Scotland	6	2	.750	173	130
Amsterdam	4	4	.500	206	168
Frankfurt	4	4	.500	169	179
Barcelona	3	4	.429	132	163
London	3	4	.429	110	138
Rhein	3	5	.375	148	150

x-clinched World Bowl berth:
SATURDAY'S RESULTS
Amsterdam 31, Scotland 27
Rhein 31, Frankfurt 8

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
CALIFORNIA—Activated LHP Mark Langston and RHP Mark Eichhorn from 15-day disabled list. Designated RHP Todd Frohwirth for assignment. Signed C Matt Merullo to minor-league contract and assigned him to Lake Elsinore, IL.
MILWAUKEE—Put OF Chuckie Carr on 15-day disabled list. Recalled INF Mark Loretta from New Orleans, AA.
TEXAS—Sent C Darryl Kennedy to San Francisco to complete Rikkert Faneyte trade. Signed RHP Emar Fleming and assigned him to Charlotte, GCL. Activated OF Juan Gonzalez from 15-day disabled list. Optioned RHP Rick Helling to Oklahoma City, AA.
TORONTO—Called up LHP Paul Spoljaric from Syracuse, IL. Activated P Woody Williams from 60-day disabled list. Sent LHP Brian Bohanon outright to Syracuse. Signed OF Randy Albaral and RHP Jeremy Satterfield.
NATIONAL LEAGUE
ATLANTA—Acquired OF Danny Bautista from Detroit for OF Anton French. Placed OF Jerome Walton on 15-day disabled list. Transferred OF David Justice from 15- to 60-day disabled list.
CHICAGO—Activated INF Dave Magadan from 15-day disabled list. Optioned INF Pedro Valdes to Iowa, AA.
CINCINNATI—Put OF Eric Davis and LHP Pete Schourek on 15-day disabled list, retroactive to May 26. Designated OF Vince Coleman for assignment. Called up INF Eric Owens and OF Chad Mottola from Indianapolis, AA.
MONTREAL—Optioned RHP Ugueth Urbina to Ottawa, AA. Recalled OF Tony Barron from Ottawa. Transferred LHP Carlos Perez from 15-day to 60-day disabled list.
NEW YORK—Recalled 1B Roberto Petagine from Norfolk, IL. Sent OF Kevin Roberson outright to Norfolk.
SAN FRANCISCO—Recalled INF Kim Batiste from Phoenix, PCL. Assigned C Darryl Kennedy to Phoenix.
BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
DALLAS—Named Jim Cleamons coach and signed him to multi-year contract.
FOOTBALL
NATIONAL FOOTBALL LEAGUE
CINCINNATI—Waived G Ray Forsythe.
HOUSTON—Agreed to terms with P Reggie Roby on 4-year contract.

THE WEEK AHEAD

MONDAY, JUNE 3
GOLF, Turnberry, Scotland — RSA, Men's British Amateur Championship, through June 8.

TUESDAY, JUNE 4
SOCCER, Various sites — exhibition, Netherlands vs. Ireland, Germany vs. Liechtenstein.
RUGBY, Masterton, New Zealand — Rugby Union, Wairarapa-Bush vs. Western Samoa.

WEDNESDAY, JUNE 5
SOCCER, Various sites — exhibitions, France vs. Armenia; Ireland vs. Croatia; Canada vs. Costa Rica; Iceland vs. Cyprus; Various sites — Copa Libertadores, Semifinals: Gremio (Brazil) vs. America (Colombia); Universidad de Chile vs. River Plate (Argentina).
RUGBY, Various sites — Rugby Union, Waikato vs. Scotland; Wales vs. New South Wales.

THURSDAY, JUNE 6
GOLF, Warwickshire, England — PGA European Tour, English Open, through June 9; Sapporo, Japan — Japan PGA, Sapporo Tokyu Open, through June 9; Minou, Japan — Japan LPGA, Suntory Ladies Open, through June 9; Rye, New York — U.S. PGA Tour, Buick Classic; East Lansing, Michigan — U.S. LPGA, Oldsmobile Classic.
CRICKET, Birmingham, England — England vs. India, first test, through June 10.
CHESS, Elista, Russia — Start of World Championship series between reigning champion Anatoly Karpov, Russia, and challenger Gata Kamsky, United States.

FRIDAY, JUNE 7
GOLF, Midway, Pennsylvania — U.S. Senior PGA Tour, Pittsburgh Senior Classic, through June 9.
HORSE RACING, Epsom, England — English Oaks.
RUGBY, Napier, New Zealand — Rugby Union, New Zealand vs. Western Samoa.
AUTO RACING, Detroit — IndyCar, Detroit Grand Prix, first-day qualifying.

SATURDAY, JUNE 8
SOCCER, London — UEFA, European Championship, through June 30; Various sites — exhibitions, Mexico vs. Bolivia; United States vs. Ireland.
RUGBY, Invercargill, New Zealand — Rugby Union, Southland vs. Scotland.
HORSE RACING, Epsom, England — English Derby; Elmont, New York — Belmont Stakes.
BOXING, Newcastle, England — boxing, Terry Norris, United States, vs. Julio Cesar Vasquez, Argentina, 12-round bout for Norris' WBC and IBF and Vasquez WBA light middleweight titles; Frankie Liles, United States, vs. Tim Littles, United States, 12-round bout for Liles WBA super-middleweight title; Naseem Hamed, Britain, vs. Daniel Alicea, Puerto Rico, 12-round bout for Hamed's WBO featherweight title.
FOOTBALL, Frankfurt, Germany — WLAF, Barcelona at Frankfurt.
AUTO RACING, Detroit — IndyCar, Detroit Grand Prix, second-day qualifying.

SUNDAY, JUNE 9
SOCCER, Panama City, Panama — World Cup qualifying, third round, Caribbean Zone, second leg, Panama vs. Belize; Beirut, Lebanon — Asian Cup, qualifying, Group 10, Lebanon vs. Kuwait.
RUGBY, Various sites — Rugby Union, Pacific Rim Championship, Japan vs. Canada, Hong Kong vs. United States; Brisbane, Australia — Rugby Union, Australia vs. Wales, first test.
FOOTBALL, Various sites — WLAF, Amsterdam at Dusseldorf, London at Scotland.
AUTO RACING, Detroit — IndyCar, Detroit Grand Prix.

SPORTS

Goaltending Carries the Panthers to Cup Finals

By Len Hochberg
Washington Post Service

PITTSBURGH — In years to come, there will be two lasting impressions from Game 7 of the National Hockey League's Eastern Conference finals: Mario Lemieux, frustrated to the breaking point, punching his way into the penalty box late in the game when the Pittsburgh Penguins needed him most; and the euphoric Florida Panthers mobbing goaltender John Vanbiesbrouck, who carried them into the Stanley Cup finals in only their third year of existence.

Vanbiesbrouck stopped 40 often-blistering shots and Tom Fitzgerald's deflected 50-footer early in the third period broke a tie, as the Panthers continued their charge through the postseason, stunning the Penguins, 3-1, before a standing-room-only crowd of 17,355 at Civic Arena on Saturday night.

The Panthers will face the Western Conference champion Colorado Avalanche in the best-of-seven Cup finals beginning Tuesday night in Denver. The matchup constitutes the first NHL championship round between first-time finalists since the league's inaugural season in 1917-1918.

"I don't think I've seen anybody in the zone that Beezer's been in," Ed Johnston, the Penguins' coach and a former NHL goaltender, said of Vanbiesbrouck. "Not only in our playoffs but also against Boston and Philadelphia. He's been the difference in every series."

Said Vanbiesbrouck, who helped to limit Lemieux and Jaromir Jagr to one goal apiece in the series: "I really wanted to be prepared for the first 10 minutes because they come out real hot here. Being able to corral a few pucks early and get the feel of it and not give a bad rebound and, most importantly, a goal. And then we scored to go up."

Mike Hough's first-period goal against Tom Barrasso gave the Panthers a 1-0 lead that they carried into the second intermission. Petr Nedved tied the score when he connected on a power play 93 seconds into the third period. The Penguins, with renewed vigor, swarmed, but Vanbiesbrouck did not budge. Then Barrasso — the Penguins' goaltender on their Cup-winning clubs in 1991 and 1992 — did.

Fitzgerald fired just after he dashed across the blue line, and the puck immediately hit defenseman Neil Wilkinson's stick. Barrasso flipped out his left elbow, but the shot went in at the 6-minute, 18-second mark.

"I just wanted to put the shot on net because you never know," Fitzgerald said. "If you hit the net, good things could happen."

When Johan Garpenlov connected with just 2:37 left, the Panthers, left for dead after getting shut out in Game 5, had completed their comeback from a 3-2 series deficit. Not only had the Penguins been 9-3 when facing playoff elimination this decade, but before they lost Game 6, they had been 12-3 when they could close out a series.

But the Panthers are is the best defensive team Lemieux said he has ever faced. He said he was "frustrated playing seven games against this team" and agreed that "they wore us down."

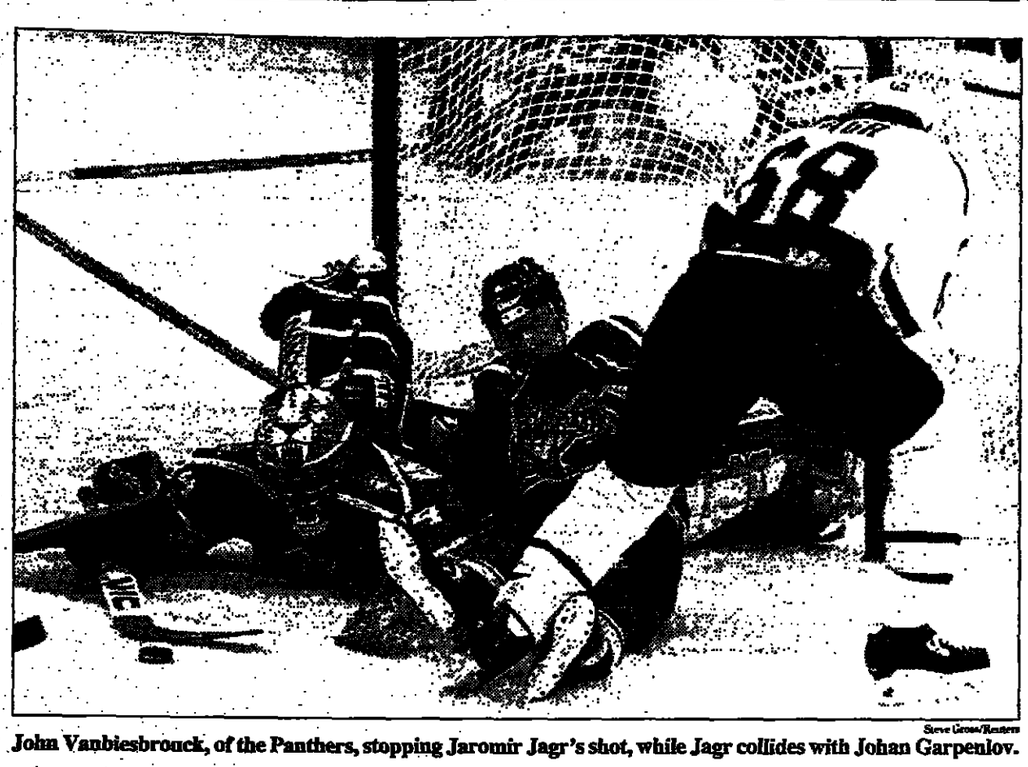
Lemieux and Jagr — who this season scored 69 and 62 goals, respectively — solved Vanbiesbrouck in Game 2. That was it. Lemieux's frustrations peaked when, with eight minutes left, he began punching the Panthers captain Brian Skrudland after they tangled in the slot. Both went to the penalty box for two minutes.

Lemieux, who returned this season after taking the 1994-95 season off to recover from Hodgkin's disease and a back ailment, has talked of retirement in recent weeks. On Saturday, he said he would think about it for a month.

It is hard to imagine a competitor as fierce as Lemieux leaving on such a depressed note. The Penguins, by far the highest scoring team in the league, were almost completely throttled by the pesky Panther defense and goaltending. Their power play, the NHL's best in the regular season, was 4 of 32. Said the Florida defenseman Gord Murphy: "We could sense frustration at different times. They would get a great opportunity and Johnny would just stone 'em. You could just see it in their faces. They just couldn't seem to solve Johnny."

Vanbiesbrouck got to the conference finals once previously, a decade ago with the New York Rangers. Now, a 13-year veteran, he is off to the Cup finals for the first time. When the final horn sounded, all sorts of thoughts flooded his head.

"First of all, I think about my family — my parents and all the early hours that we spent at rinks all over the place. But more vividly is the look on everybody's face when they jump over the bench and they're coming at you full steam ahead. It's just a jubilant feeling. I can't tell how great it feels."



Steve Crosse/Reuters

John Vanbiesbrouck, of the Panthers, stopping Jaromir Jagr's shot, while Jagr collides with Johan Garpenlov.

Stopping at Nothing To Hold On to Heroes

By Thomas Boswell
Washington Post Service

IN RECENT days, Rick Pitino has faced a tough decision. Should he accept a $30 million offer to coach the New Jersey Nets of the National Basketball Association? Or should he stay with his national collegiate champions at the University of Kentucky?

To help himself think clearly, Pitino went to Ireland to play golf. With him went 36 prominent Kentucky alumni, every mind with but a single purpose: Kiss Ricky's feet.

It's not just that any Pitino putt inside 10 feet would, of course, be conceded for the good of higher education in the state of Daniel Boone. It's not just that Pitino would get preferred lies in the rough. As for Mulligans, if a man can't get a few in Kilkenny, where is he ever going to find 'em?

We have a marriage here of sycophancy and a need for adulation. Unreliable sources tell us that, at Ballybunion alone, Pitino holed out from the fairway seven times in one round. "Coach, you won't believe. It went in the hole again!"

At Lahinch, Pitino broke the course record, which had stood for 311 years — by 12 shots. Finally, just hours before announcing Thursday that he was staying at Kentucky, Pitino's miraculous shot at the 18th hole at Killarney won his $2 Nassau bet all ways. When all bets were tallied, Pitino discovered he also had won four car dealerships and three downtown hotels.

Larry Brown once said he would absolutely stay at Kansas only to end up with the San Antonio Spurs. Don't stop kicking Pitino's ball into the hole just yet. He might think you don't love him enough. Remember, five weeks ago Pitino said he'd conclusively rejected the Nets' offer, adding, "You're stuck with me."

Then he got interested again. What if the Nets throw in a private airport and a personal tunnel to Manhattan?

Could Pitino's week of Worship Me Golf become an emblem of our Age of Immodesty in sports?

Long ago, Muhammad Ali said, "I am the greatest." But he was laughing when he said it. His almost-obscene level of world fame actually seemed to prompt him, perhaps even shame him, into seriousness. He studied religion and politics, converted to Islam and even lost his world heavyweight title for the sake of conscience.

Since then more and more people in sports have been saying, and believing, that they really are the greatest.

No salary is too high to embarrass them. No amount of boot licking makes them blush. No excess of courtship — by a coach for a kid, by a team for a free agent, or by a town for a team — is mocked. Eventually, it seems perfectly reasonable to take a vacation to Ireland with the 36 people in the world who are most inclined to stroke your ego, exaggerate your talent, testify to your indispensability and search for ways to prove their fealty. Is this the Middle Ages?

IN SPORTS, we've come to a point where the id is out of the box and the superego can just go stand in the corner and sulk. "Bad As I Wanna Be" is the mantra. Why, that's even the name of Dennis Rodman's new book. The unquestioned assumption behind the book is, "I deserve this."

How much can we blame these victim-celebrities in sports? After all, we can't wait to describe coaches as "geniuses." Then we're surprised when they believe it. We tell tall children they're important people.

Let's admit that there's a perverse charm to all this innocent self-infatuation. Sports offers the promise that as long as you're winning, you can live like a god. And why not, since you'll probably go back to being merely human soon enough?

Welcome to the narcissistic world of Just Do It. If you have to make a tough career decision, why not think it over while 36 alumni kiss your ring? Who knows, maybe such immodesty — such wallowing in self-regard — is progress. After all, think of the opportunities to rewrite the precepts by which many people were raised — and not so long ago.

For example, pride goeth before a really big shoe contract.

The love of money is the root of all free-agent signings.

It's possible, of course, that I'm just envious. In my next life, I admit I wouldn't mind being Rick Pitino — at least for this Irish golf gig. Imagine, the morning mist is beginning to rise off the heather at Tralee. My 5-iron shot has its usual slice but — look! — it's bounced off the head of a real-estate developer! It's rolling toward the pin. Just think, if it goes in, I win Grindstone's first 12 stud fees.

Detroit Rookie Faces Down an All-Star

Thompson Holds Chicago's Thomas Hitless, but the Tigers Still Lose

The Associated Press

Even in defeat, the rookie Justin Thompson gave the Detroit Tigers something to feel good about on Sunday.

Thompson, making his second major league start, held All-Star Frank Thomas hitless in four at-bats in Chicago. But the White Sox still beat Detroit, 4-2, in the first game of a doubleheader.

Rookie James Baldwin (5-1) allowed three hits in eight innings and Lyle Mouton had a solo home run for the White Sox.

Thompson (0-1) gave up six hits and three runs, one of them unearned, in 7⅓ innings. Pitching with confidence, he struck out five and walked three.

Thompson struck out Thomas in the first and retired him on a lineout with the bases loaded in the fifth.

"That showed me a lot of poise," said the Tigers' manager, Buddy Bell. "He was pitching out there like he's been here for a long time. It's nice to have him on our side."

Indians 11, Brewers 6 Alvaro Espinoza's two-run homer in the sixth sparked Cleveland to a victory in Milwaukee, and, for the first time in three games, the Indians and Brewers played peacefully.

Except for a brushback pitch to Kenny Lofton leading off the game, the two clubs completed their three-game series without incident. The teams will have plenty of time to cool down before their next game, an Aug. 23 matchup in Cleveland.

Espinoza's two-run shot off Scott Karl (5-3) in the sixth erased a 5-4 deficit. Brewers reliever Ramon Garcia then gave up a solo homer to Manny Ramirez in the seventh and Julio Franco's two-run shot in the eighth.

Albert Belle, whose forearm shiver to second baseman Fernando Vina, triggered an ugly brawl Friday night, went 0-for-5 and finished the four-game series 2-for-16 with two singles.

Royals 7, Blue Jays 5 Tim Belcher gained his 100th career victory as Kansas City snapped a three-game losing streak with a victory in Toronto.

Belcher gave up four runs and four hits over seven innings. He struck out seven, walked four and hit two batters.

"It's a nice milestone," Belcher said. "It's not something as lofty as 200 or 300, but there's not a huge amount of guys with 100. There are plenty of flashes in the pan out there and to have about 250 career starts and a hundred wins shows a long, durable career."

Craig Paquette, Bob Hamelin and Joe Vitiello each hit two-run home runs for the Royals, who entered the game with just 34 homers.

Dodgers 1, Mets 0 Ismael Valdes pitched eight scoreless innings and Los Angeles took advantage of third baseman Jeff Kent's error to beat New York at home.

The Dodgers won despite getting only three hits off Mark Clark and Dave Mlicki. They scored an unearned run in the sixth when Kent, a converted second baseman, made his team-leading 12th error.

Valdes (6-3), winner of four of his last five starts, gave up six hits, struck out seven and walked two. The 22-year-old right-hander left after a leadoff single by Kent in the ninth.

Giants 8, Expos 1 Mark Leiter tossed a five-hitter and struck out 11 in Montreal on Sunday as San Francisco ended a three-game losing streak.

Leiter (3-5) allowed Henry Rodriguez's league-leading 21st home run in the fourth but won his first decision in six starts since April 27. The right-hander did not walk a batter in recording his first complete game this season and the 11th of his career.

Dan Peltier, recalled from the minors on May 25, went 3-for-4 and had a career-high four RBIs. Peltier, who had not played in the majors since 1993 with Texas, hit a two-run double in the second and added a two-run single in the fifth.

Pirates 5, Rockies 2 Pittsburgh, winless all season when trailing in the late innings, rallied for a four-run eighth started by Al Martin's pinch-hit homer.

Jeff King drove in two runs and Zane Smith (3-3) pitched effectively for eight innings in Pittsburgh as the Pirates won for the first time in the 29 games they have trailed after seven innings. They also are 0-29 when trailing after eight.

In games Saturday:

Brewers 2, Indians 1 Milwaukee and Cleveland cleared the benches just seven pitches into the game, as ill will from a Friday night fight carried over to Saturday.

Friday night's brawl was precipitated by Belle's charge into Milwaukee second baseman Fernando Vina's nose. On Saturday, trouble started on an early pickoff play involving Vina and Kenny Lofton. Lofton led off the game with a double, then gave Vina a shove after pitcher Angel Miranda tried to pick him off. Order was restored after several minutes.

Miranda hit Carlos Baerga with a pitch in the third inning, and Jack McDowell hit Vina in the foot in the fourth, but there were no further incidents.

Red Sox 6, Mariners 5 Mo Vaughn's three-run homer put Boston ahead for good and Tim Wakefield pitched six strong innings as the Red Sox held on to win in Seattle.

Tim Naehring also homered for Boston. Ken Griffey Jr. doubled and drove in two runs for the Mariners.

Trailing 6-3 in the eighth, Seattle got solo home runs by Jay Buhner and Russ Davis off reliever Mike Stanton. Heathcliff Slocumb got the final four outs for his eighth save.

Twins 9, Rangers 5 In Arlington, Texas, Rich Becker's RBI single in the top of the ninth inning snapped a tie, and Paul Molitor followed with a three-run homer as Minnesota scored six runs in its last at-bat.

The Twins trailed 5-3 against Mike Henneman with one out in the ninth. Consecutive singles by Dave Hollins, pinch-hitter Chip Hale and Scott Stahoviak cut the deficit to one, and Pat Meares tied the game with an infield single.

Cubs 5, Marlins 4 Scott Servais hit a solo home run in the 10th inning as Chicago rallied from a 3-0 deficit in Miami.

Turk Wendell (4-1) gave up one unearned run in three innings and struck out the side in the 10th. Terry Mathews allowed Servais' ninth homer with one out in the 10th.

Baseball Roundup



Dan Carrier/The Associated Press

Derryl Cousins heading off a fight between the Indians' Kenny Lofton and the Brewers' Fernando Vina.

THIS WEEK ON EUROSPORT



The European Football Championship bring Germany, Italy, France and the rest of the continent's greatest teams to England; can England raise their game and keep the prize at home?

Football : 8 - 30 June, LIVE, EURO '96, England. The greatest prize in European football kicks off at Wembley Stadium.

Tennis : 3 - 9 June, LIVE, The French Open, Roland Garros, Paris. The French Open reaches its climax on the red courts of Roland Garros.

IndyCar : 9 June, LIVE, The Detroit Grand Prix. The battle for the IndyCar crown hots up as the season heads towards its final stages.

Motorcycling : 9 June, LIVE, The French Grand Prix, Le Castellet. Mike Doohan will want a victory in France to edge nearer another World Championship.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe, via cable and satellite.

ICE HOCKEY Feathers Fly as Panthers Maul Penguins p. 21 **SOCCER** Rob Hughes on the Significance of the First Shared World Cup p. 20

Herald International Tribune
SPORTS

WORLD ROUNDUP



Robert Pratta/Reuters

Miguel Indurain taking fourth in the time trial first stage in the Dauphine Libère. Chris Boardman finished first.

England Makes Changes

CRICKET England included three uncapped players in the squad to face India in the first test that starts Thursday at Edgbaston, Birmingham. The new faces on the team of 13 announced Sunday are the left-arm paceman Alan Mullally, the left-arm spinner Min Patel and the all-rounder Ronnie Irani. *(Reuters)*

Bugno Bursts Through

CYCLING Gianni Bugno, an Italian with the Maglificio MG team, sprinted away from a leading group of six riders Sunday to win the 15th stage of the Giro d'Italia, which covered 224 kilometers from Briancon, France, to Aosta, Italy. Pavel Tonkov, a Russian with Panaria, retained first place overall. *(Reuters)*

Christie Takes Double

ATHLETICS Linford Christie followed his victory in 100 meters by winning the 200 meters at the European Cup in Madrid. Christie ran 20.25 seconds. Germany won the team competition, with Britain in second. *(Reuters)*

• Ato Boldon of Trinidad, a student at UCLA, ran the year's fastest 100 meters Saturday in Eugene, Oregon, clocking 9.92 seconds at the U.S. collegiate championships and then saying he would break the world record this season. *(Reuters)*

Nelson Retains Title

BOXING Azumah Nelson of Ghana retained his World Boxing Council super featherweight title and avenged one of the three defeats of his 17-year career Saturday when he stopped "Jesse" James Leija in the sixth round in Las Vegas. *(Reuters)*

Admirals Stop Claymores

FOOTBALL Will Furrer ran 46 yards for a touchdown and threw for three scores as the Amsterdam Admirals beat the Scottish Claymores in the World League of American Football, 31-27.

In Frankfurt, Matt Gay scored two touchdowns and forced three turnovers as the Düsseldorf Rhein Fire beat Frankfurt, 31-8. *(AP)*

Bologna Promoted

SOCCER Bologna and Reggiana joined second division champions Verona in clinching promotion to Italy's serie A on Sunday. Bologna, winner of seven league titles, beat Chievo 1-0 to make sure of second place. Reggiana, demoted at the end of the 1995 season, beat Verona 1-0 to ensure its promotion. *(Reuters)*

Seles and Graf Win in Convincing Style

For the Men, Sampras Will Meet Courier In Quarters



Jean-Paul Pelissier/Reuters

Jim Courier returning a forehand to Wayne Ferreira during his fourth-round French Open victory Sunday.

By Ian Thomsen
International Herald Tribune

PARIS — They will be counting votes for another week at the French Open, but the numbers from the fourth round Sunday added to the likelihood of a Monica Seles-Steffi Graf final.

In the meantime, No. 1 Pete Sampras and No. 7 Jim Courier were headed for a quarterfinal which one of them might celebrate like the winner of a U.S. primary election.

After surviving a pair of five-set matches, Sampras had a relatively easy time in his fourth-round victory over Scott Draper of Australia, the world No. 99, 6-4, 7-5, 6-2. Either of the first two sets might have gone against Sampras in other years, especially while he was forced to stay near the baseline more than he would have liked.

"It was very cold and very heavy, which isn't great for my game," he said. "As the match went on I started hitting the ball a little bit cleaner, a little bit deeper. I hope the weather clears up and it can be a little bit warmer, which can make things a little bit quicker."

Courier lost the first set but recovered quickly to beat Wayne Ferreira, 4-6, 6-1, 6-3, 6-3. He indicated that a warmer, quicker pace would not necessarily favor Sampras.

"I like fast clay conditions," Courier said. "That's what I grew up with."

In 1991 and 1992, his championship years, he seemed almost unbeatable. This time, he issued his threat to Sampras in a soft voice. "I feel like I'm playing very similarly."

Sampras has hardly had an easy match here so far, and if he can beat Courier — who knocked him out of the tournament two years ago — he will still have to deal with Richard Krajicek or Yevgeny Kafelnikov in the semifinal.

For Seles, the opponent in the fourth round presented different worries.

Seles had her face covered in a towel when she was stabbed in the back, just below the left shoulder blade, on April 30, 1993. Since then she had played just one match on clay before coming to Roland Garros.

On Sunday, Seles looked up from the towel to again find Magdalena Maleeva, her opponent from that interrupted match in Hamburg, picking up where they had left off three years before.

"In the changeover it was really tough, but I knew that it would be coming into the match," Seles said. "I said to myself, 'just keep going and keep not thinking about it, it's just another tennis match.'"



Patrick Kovarik/Agence France-Presse

Monica Seles preparing to serve as she beat Magdalena Maleeva.

In the second and third rounds Seles had been forced to win seven games in a set. After her 6-1, 6-1 beating of Maleeva put her through to an upcoming quarterfinal against Jana Novotna, Seles was asked whether this reminded her of the good old teenage days.

"I really don't remember so much from my past because it's been four years ago," Seles said. She is still just 22.

Her shoulder is going to need surgery, but in the meantime it has been receiving hours of therapy every day.

"My serve felt great today, felt so much better than any other previous matches," Seles said.

Her shoulder is treated with ice, then heat, then stretching, then strengthening work.

"It's like four or five things that we are doing every day," she summed up.

Her rival, Graf, went through a good second-set rain-delayed test before finishing off Mary Joe Fernandez, 6-1, 7-6 (9-7), her defeated opponent in the 1993 final, not long after the attack on Seles.

This will make Graf's 11th French Open quarterfinal, leaving her behind the 12 of Chris Evert and the 13 of Simone Mathieu of France, whose last such appearance was in 1939.

If the joint number ones should meet in the final, it will match Graf's conservative nature against Seles's optimism, to believe after three years that she can overcome anything.

In the past Graf has tried to hide most of her injuries until after the tournament had been won, leaving it to her father, when he hasn't been in prison, to reveal that she was playing with a broken foot or whatever.

If Graf had a small tear in the lining of her shoulder socket, she wouldn't be admitting the weakness.

During their short interviews, each was asked if there was one thing in life left undone that they would like to do. Add the two of them together and you still get only 48 years. The answer should have been, "Everything."

Seles said, "I would love to do sky diving."

Graf said, "I would love to be on the water with sharks."

The latter sounded initially like a take-off on Eric Cantona, who compared the press to scavenging seagulls. No one was quite sure how to react; a few writers seemed honored.

No, no, Graf shook her head. "Filming them," she said. "In a cage."

Novotna Puts Jitters Of Year Ago Far Behind

Compiled by Our Staff From Dispatches

PARIS — Jana Novotna, who suffered a humiliating loss to the Chanda Rubin of the United States at the French Open 12 months ago, kept her nerve in the second set Sunday to beat Irina Spirlea of Romania, 6-1, 7-5.

Novotna, the No. 10 seed, lost to Rubin in the third round in 1995 after leading 5-0 and at match point in the third set. But she took just 68 minutes to beat Spirlea.

Novotna, a semifinalist in 1990, won the Spanish Open in Madrid on May 26 and reached the semifinals at Hilton Head Island in the United States.

Anke Huber, the No. 5 seed, lost to unseeded Karina Habsudova, 7-5 6-3.

"I now hope I can make it into the top 15 in the world so as to be seeded in a grand slam before the end of the year," said Habsudova, a 22-year-old Slovak who is ranked 26th in the world.

Habsudova beat 15th-seeded Martina Hingis in the previous round.

Iva Majoli, the fourth seed, beat a Spanish qualifier, Gala Leon Garcia, 6-3 6-1, and No. 9 Lindsay Davenport of the United Staes beat Kimiko Date, the No. 7 from Japan, 3-6, 6-4, 8-6.

No. 4 Arantxa Sánchez Vicario beat Barbara Rittner, the German who knocked out Mary Pierce on Friday, 6-3 6-4.

The third seed, Conchita Martinez of Spain, led the No. 14 seed, Amanda Coetzer of South Africa, 6-2, 4-1, when the match was ended for the day because of rain.

On the men's side, Yevgeni Kafelnikov, the No. 6 seed, has yet to drop a set. He produced another ominous warning to future opponents when he beat Francisco Clavet of Spain, 6-4, 6-3, 6-3.

The Russian's next opponent is Richard Krajicek, the big-serving 13th seed from the Netherlands who reached the semifinals last year.

Krajicek was a runner-up to Thomas Muster at the Italian Open.

On Sunday, Krajicek also scored a comfortable victory when he defeated Jonas Bjorkman of Sweden, 6-3, 6-2, 6-4. *(AP, AFP, Reuters)*

Schumacher Overcomes Bad Start and Rain to Win for Ferrari

The Associated Press

BARCELONA — With an engine running at less than peak capacity, in miserable conditions that caused only six cars to finish and after a start that was more of a stop, Michael Schumacher won his first race for Ferrari at the Spanish Grand Prix on Sunday.

"It's amazing," Schumacher said. "If anyone had said I would have won this race, I would not have put a penny on it."

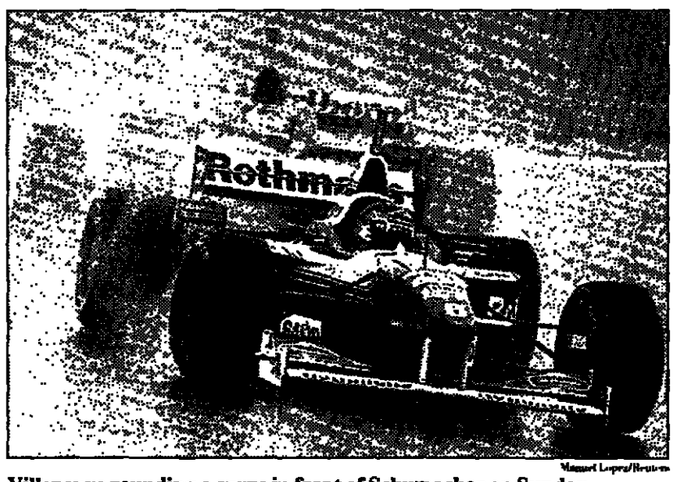
He can probably bet there will be more victories for him and Ferrari.

It was the 20th career victory for Schumacher. Ferrari has 106 victories, more than any other Formula One team, but had won just two races since 1990, last year's Canadian Grand Prix and the 1994 German Grand Prix.

Schumacher dominated a race run through continuous rain.

"Certain cars do better under certain conditions and weather conditions," Schumacher said. "It was purely circuit circumstances. Either they suit us or they don't. At Monaco, we ran well in the dry and not so good in the wet."

Jean Alesi, the last Ferrari winner, was second this time in a Benetton-Renault, 45.302 seconds behind Schumacher. Jacques Villeneuve, the Canadian rookie in a Williams-Renault, was third, 48 seconds back.



Manuel Lopez/Reuters

Villeneuve rounding a curve in front of Schumacher on Sunday

Germany's Heinz-Harald Frentzen in a Sauber-Ford was fourth, with Finland's Mika Hakkinen in a McLaren-Mercedes fifth and Brazil's Pedro Diniz next in a Ligier-Mugen-Honda.

Schumacher made a poor start.

"It was a disaster. I almost stalled the car," Schumacher said. "I was going for the clutch and there was nothing there. A lot of people passed me and I couldn't see anything. I was afraid I would go into someone."

He also had electrical problems.

"For the last half, it felt as if I was trying out an eight or nine cylinder car," Schumacher said. "It cleared up for a couple laps then got another step worse in the last 20 laps and I was worried it would go completely wrong. I lost about 10 kilometers an hour on the straights."

Even so, he was ahead of the field by nearly a minute, slowing down in the final lap to allow Alesi to get within 45 seconds at the finish.

Damon Hill, who won four of the first five races this year and had the pole position in a Williams-Renault, failed to finish for the second race in a row. He spun and hit a wall in the 12th lap.

"It was very difficult to see," Hill said. "I spun off and managed to get out of the gravel pit but went off again. Very tricky conditions."

The race was scheduled for 65 laps of the 2.937-mile Circuit de Catalunya, or 190.926 miles (307.266 kilometers), and finished barely 10 seconds before the two-hour time limit.

The wet conditions knocked six cars in the first two laps. Only six of the 20 starters finished the race, compared with three at the Monaco Grand Prix two weeks ago.

Schumacher moved into first on the 12th lap and added seconds to the lead with ease. By 17 laps he had a margin of 17 seconds.

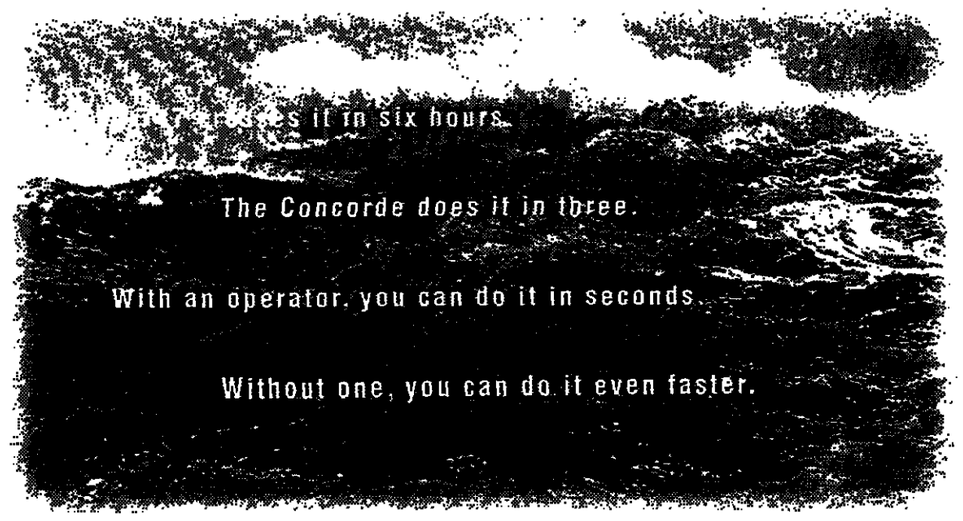
By mid-race he was lapping about four seconds better than the field, easily under 1 minute, 50 seconds, while the others were at 1:51 and above.

Schumacher's only problem was at the start. Once he got going, he was hard to stop. Villeneuve found that out.

"It was good to be first in the wet because you can see something ahead of you," Villeneuve said. "Then Michael got in my mirrors and he flew by me. And then he was in front he had a clear field."

Hill still has a healthy lead in the drivers' standings, with 43 points, while Schumacher and Villenuve each have 26.

"Now Schumacher and I are nearer to Damon and the championship is getting more and more exciting," Villeneuve said.



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Finland●	9800-100-10
France	19-0011
Germany	0130-0010
Gibraltar■	8800
Greece●	00-800-1311
Hungary●	00◆800-01111
Iceland●	800 9001
Ireland	1-800-550-000
Italy●	172-1011
Lithuania✱	8◆196
Luxembourg	0-800-0111
Macedonia, F.Y.R.●○	99-800-4288
Monaco●	19-0011
Netherlands●	06-022-9111
Norway	800-199-11
Poland●▲	0◆0-800-111-1111
Portugal▲	05017-1-288
Romania●	01-800-4288
Russia●▲(Moscow)▲	755-5042
Slovak Rep.●▲	00-42-000-101
Spain◇	900-99-00-11
Sweden	020-795-611
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MIDDLE EAST	
Bahrain■	800-001
Cyprus●■	080-90010
Egypt●(Cairo)✝	510-0200
Israel	177-100-2727
Jordan■	18 800 000
Kuwait■	800-288
Lebanon (Beirut)●✝■	426-801
Qatar■	0800-011-77
Saudi Arabia◇	1-800-10
Syria	0-801
U. Arab Emirates●■	800-121

AFRICA	
Gabon●	80◆001
Gambia●	08111
Ghana	0191
Ivory Coast●	00-111-11
Kenya▲	0800-10
Liberia	797-797
Morocco■	002-11-0011
Sierra Leone	1180
South Africa	0-800-99-0123
Zambia✱	00-899
Zimbabwe▲	110-899

AMERICA	
Argentina✱	001-800-200-1111
Bolivia●	0-800-1112
Brazil	000-8010
Canada■	1-800-225-5288
Chile	800-800-311
Colombia	980-11-0010
Costa Rica●■	0-800-0-114-114
Ecuador●▲	999-119
El Salvador○■	800-1785
Guatemala○	190
Mexico▽■	95-800-462-4240
Nicaragua✱	174
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